

## Best Execution Policy

---

Information for Eligible Counterparties,  
Professional clients and Retail clients  
excluding Cantor Direct clients

## Contents

<b>1</b>	<b>Best Execution Obligations</b>
1.1	Introduction
1.2	Achieving Best Execution in relation to client orders
1.3	Application of the Best Execution obligation
1.4	Financial instruments in scope of the Best Execution obligation
1.5	When does Best Execution not apply?
1.6	The execution factors
1.7	Selection of execution factors in the execution of a client order
1.8	Client categorisation and Best Execution
1.9	Trading and Execution Venues
1.10	Summary of the selection process for Execution Venues
1.11	Specific client instructions
1.12	Prior consent to Best Execution Policy, executing transactions outside a Trading Venue and non-publication of client orders
1.13	Receipt and transmission of orders
1.14	Transmitted orders: Summary of venue selection process
1.15	Costs and charges
1.16	Third party payments and non-monetary benefits
<b>2.</b>	<b>Information to clients</b>
2.1	Top five venues and quarterly information
2.2	Information requests
2.3	Updates to this document
<b>3.</b>	<b>Monitoring and review</b>
3.1	Monitoring of Best Execution
3.2	Reviews by Compliance
<b>4.</b>	<b>Definitions</b>
4.1	Definitions
	<b>Annexes</b>
1	MIFID II Financial Instruments
2	FCA Client Categorisation
3	Financial instruments and Execution Venues
4	Financial instruments relative importance of execution factors
5	Retail client acknowledgement and consent

## Best Execution Obligations

### 1.1 Introduction

The purpose of this document is to summarise the systems and controls implemented by Cantor Fitzgerald Europe (“CFE”/“the Firm”) to comply with the regulatory requirements relating to Best Execution. These requirements include those set out in the Markets in Financial Instruments Directive 2014/65/EU (“MiFID II”) and the associated rules and guidance established by the European Securities and Markets Authority and the Financial Conduct Authority. Please note that a separate policy is in place for Cantor Direct clients, which is made available to such clients separately.

### 1.2 Achieving Best Execution in relation to client orders

When executing transactions in financial instruments CFE will take all sufficient steps to obtain the best possible result for you on a consistent basis taking into account price, costs, speed, likelihood of execution and settlement, size, nature and/or any other consideration relevant to the execution of the order (see section 1.6 ‘The execution factors’).

### 1.3 Application of the Best Execution obligation

The obligation to take all sufficient steps to obtain the best possible result for clients applies where a firm owes a client contractual or agency obligations. The Best Execution obligation applies to all business the Firm executes for Retail clients and will apply for Professional clients where the client places legitimate reliance on the Firm to provide Best Execution. The considerations to take into account when determining whether a client is placing legitimate reliance on the Firm are set out in section 1.6

Although it is assumed that Professional clients do not rely on CFE to provide Best Execution we accept that there are certain circumstances where they may place such reliance upon us. Indications that Professional clients may be legitimately relying on us to provide Best Execution include, but are not limited to:

- Where we execute your order by dealing as riskless principal or on a matched principal basis;
- Where we are given discretion by them in relation to the execution of your order;
- Where their order is worked by the Firm’s trading desk; and
- Other circumstances such as where they cannot shop around for alternative prices (e.g. due to the complexity of the financial instrument or nature of the transaction).

Also see section 1.5 setting out when Best Execution does not apply.

## 1.4 Financial instruments in scope of the Best Execution obligation

The asset classes in which CFE executes client transactions (or passes orders for execution to a third party) and that are within scope of the Best Execution requirement include the following:

- Transferable securities (e.g. shares, bonds and other forms of securitised debt including depository receipts);
- Units in collective investment undertakings;
- Warrants, futures, forwards, forward rate agreements;
- Contracts for differences, swaps, options and commodity derivatives;
- Securities Financing Transactions; and
- FX transactions except for spot transactions, although a spot transaction will be within scope of MiFID II when it is linked to a transaction within the scope of MiFID II).

## 1.5 When does Best Execution not apply?

The Best Execution obligations will not apply in the following circumstances:

### **Orders carried out with or for Eligible Counterparties (“ECP”).**

If you are an eligible counterparty, you do not benefit from the Best Execution provisions of MiFID II which only apply to Professional and Retail clients.

### **Dealing on a Request for a Quote (“RFQ”) basis**

If you are a Professional client and CFE provides you with a quote, the quote will normally meet CFE’s obligations to take all sufficient steps to obtain the best possible result for you provided CFE executes the quote at the time it was provided. Furthermore, CFE will satisfy its Best Execution obligations if it executes your quote after you accept it, provided taking into account the changing market conditions and the time elapsed between the offer and acceptance of the quote, the quote is not manifestly out of date.

Notwithstanding the above, **Best Execution will apply in quote driven markets to orders from Professional clients where the client legitimately relies on CFE.**

### **Professional clients**

It is presumed that, as a Professional client, you do not legitimately rely on us to provide Best Execution. However, this presumption is based on the following:

- You initiate the transaction;
- Market practice and the existence of a convention for the client to ‘shop around’ e.g. in the wholesale OTC derivatives and bond markets buyers conventionally shop around by approaching several dealers for a quote; and

- The relevant levels of price transparency within a market e.g. for markets where clients do not have ready access to prices while investment firms do, the client is more likely to rely on the Firm.

Where any of the above conditions are not met you will be deemed to be legitimately relying on us and we will accordingly provide you with Best Execution.

**Retail clients – CFE always owes Best Execution on Retail client's orders.**

#### **Financial instruments out of scope for MIFID II**

The financial instruments not within the scope of MIFID II traded by the Firm include loans, claims and spot FX (but note the comment at 1.4 above, 'Financial Instruments in scope for the Best Execution Obligation').

#### **Name give-up**

This occurs when we act as an arranger in a trade between you and one or more other counterparties. We may identify and/or introduce you to other counterparties who have indicated their willingness to trade in accordance with the trade parameters that you have set. We may also assist you in the negotiation of the trade parameters. Once the trade price, volume and other terms have been agreed between you and the other counterparty, we step away from the transaction and you will contact the other counterparty directly. (For the avoidance of doubt, CFE will not be named on the contract note.) The trade is cleared and settled directly through the relevant exchange and/ or appropriate market mechanism. As a name-passing broker in these circumstances CFE does not 'execute' transactions, or receive and transmit orders for execution, and therefore Best Execution is not applicable to these arrangements.

## **1.6 The execution factors**

As part of taking all sufficient steps to obtain the best possible result for you when executing your order, we will take into account the following factors:

- **Price** – this is the price at which a transaction in a financial instrument is executed;
- **Size** – the size of the order or transaction to be executed, which may impact the execution price we obtain for you depending on the liquidity of the financial instrument;
- **Speed** – the length of time it takes to execute your order or transaction;
- **Costs** – including internal and external costs such as venue costs and the Firm's own commission;
- **Likelihood of execution and settlement** – the probability that your order or transaction can be completed;
- **Nature** – the type of order you have placed e.g. limit order, at best etc.; and
- **Other** – any other considerations relevant to the execution of your order, for example particular characteristics of your order or transaction.

Although we are obliged to deliver the best possible result when executing client orders in all MiFID financial instruments (see section 1.4), a uniform procedure for Best Execution should not and cannot be applied owing to differences in market structures and the different characteristics of each financial instrument.

The application of any Best Execution obligations will therefore take into account the different circumstances surrounding the execution of your orders for particular types of financial instruments (for example an Over The Counter ('OTC') execution as opposed to an execution on a Trading Venue).

The relative importance of the order execution factors listed in this section 1.6 is set out in Annex 4 for each class of financial instrument.

## 1.7 Selection of execution factors in the execution of a client order

When executing your order, we take into account the following criteria to determine the relative importance of the execution factors:

- **Your client categorisation (Professional or Retail)** – for Professional clients price is likely to be the primary execution factor whereas for Retail clients the price and the depth of liquidity available at that price (see section 1.8) are likely to be most important factors;
- **Your specific instructions** – you may give a specific instruction that will have an impact on how we execute your order, for example, you may instruct us that an execution factor other than price (such as the likelihood of execution or the speed of delivery) should have priority;
- **Characteristics of your order** – there are various characteristics of your order, such as whether it is a purchase or sale, its size, the type of order (limit, duration, strategy etc.) and whether it is to be executed on exchange or OTC, that may impact how we decide to execute it. For large in size orders the likelihood of execution is likely to be more important than price;
- **Characteristics of the financial instrument that are the subject of your order** – the relative importance of the execution factors may vary in relation to different classes of financial instruments. For example, the liquidity of the financial instruments on the relevant Execution Venues will affect the choice of execution factors – for illiquid financial instruments the likelihood of execution is likely to be more important than price to the client. Where the main purpose of the order or transaction is volume discovery rather than price, size is likely to be the preferred execution factor;
- **OTC Orders** – When executing OTC orders (including those in bespoke products) we will gather relevant market data (where available) to check whether the OTC price shown to you is fair and ensure we have complied with our Best Execution obligations.
- **Characteristics of the Execution Venues to which your order can be directed** – In volatile markets or where there are unusual market conditions speed and the likelihood of execution may be more important than price. The execution factor selected may also be influenced by whether execution is on a Trading Venue, with a Systematic Internaliser, or with a market maker or other liquidity provider; and
- **Any other circumstances relevant to the execution at the time** – for example your ability to settle trades in a particular market, brokerage rates, time, availability of prices (last traded price may not be current price), etc.

## 1.8 Client categorisation and Best Execution

There is an important distinction between Best Execution for Retail and for Professional clients (please see Annex 2 for further information on FCA client categorisation):

- **Professional clients** – if you are a Professional client price will normally merit a high relative importance in obtaining the best possible result for you. However, in some circumstances other execution factors may be more important in obtaining the best possible execution, e.g. likelihood of execution or settlement for orders in illiquid financial instruments;
- **Retail clients** – If you are a Retail client, what constitutes the best possible result will be determined in terms of ‘total consideration’. This represents the price of the financial instrument and all costs related to execution, including all expenses incurred by you which are directly related to the execution of the order, such as Execution Venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of your order. The Firm’s own remuneration for the transaction, internal commissions and costs will not be taken into account in the Best Execution consideration when we quote a price to you.

For Retail clients speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs may be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration.

If you are a Retail client, you should be informed about any material difficulty relevant to the proper carrying out of your orders promptly upon becoming aware of the difficulty.

- **Eligible Counterparties** – Best Execution obligations do not apply to eligible counterparties.

## 1.9 Trading and Execution Venues

The term “Trading Venue” refers to any of the following:

- A Regulated Market (‘RM’);
- An Equivalent third-country market;
- A Multilateral Trading Facility (‘MTF’);
- An Organised Trading Facility (‘OTF’); and
- An Equivalent third-country facility/platform (e.g. a Swap Execution Facility).

The term “Execution Venue” refers to one of the following:

- A Trading Venue;
- A Systematic Internaliser;
- A Market Maker and other liquidity provider; and

- A third-country firm performing a similar function.

A list of Trading and Execution Venues on which the Firm places significant reliance to meet its Best Execution obligations is set out in Annex 3.

## 1.10 Summary of the selection process for Execution Venues

When we select an Execution Venue we consider a number of matters including the following:

- Quality of execution offered by the venue – quality is determined by past performance of the execution venue and the information on execution quality that is published on our website in accordance with RTS 27<sup>1</sup> and RTS 28 (see section 2.1);
- Client instructions – you may select a particular Execution Venue for the execution of your order or transaction (see section 1.11);
- Priority of execution factors – factors such as price, speed and likelihood of execution may limit or determine the Execution Venue, e.g. some venues may have better prices or have more liquidity than other venues; and
- Product type – certain financial instruments may only be available on specific Execution Venues.

Annex 3 includes for each class of financial instrument the entities on which the Firm places significant reliance when executing client orders.

For certain financial instruments, such as cash equities, we may route your order to a DMA provider who will utilise a smart order router to determine which Execution Venue your order is routed to for execution. Where we use DMA we will select the most appropriate provider for your order and we will submit to them any relevant information about your order such as an instruction from you with the objective of obtaining Best Execution for you and/or meeting your specific instruction.

With regard to the execution of orders, a single Execution Venue for a particular financial instrument or product will only be used where it can be shown that the use of the execution venue will allow us to obtain Best Execution for our clients on a consistent basis. A single venue will only be selected if we reasonably expect that the Execution Venue selected will enable the Firm to obtain results for you which are at least as good as the results that you could reasonably expect from using alternative Execution Venues (assuming there are alternative venues available).

## 1.11 Specific client instructions

In respect of instructions from you:

- We will execute your orders in line with any instructions received from you;
- Specific instructions from you covering one part or feature of an order do not release us from our Best Execution obligations in respect of any other parts or features of the order that are not covered by your instructions;
- Employees are forbidden from either explicitly or implicitly inducing you to instruct us to execute an order in a particular way where such an action would prejudice our compliance with the Best

---

<sup>1</sup> The RTS 27 reporting requirement has been suspended by the European Commission as of 30 July 2020.



Execution obligation; and

- You may be invited to choose between two or more Trading Venues, but only if those venues are compatible with our Best Execution Policy. When inviting you to choose an Execution Venue, we will provide you with relevant information to assist you in making your decision.

## 1.12 Prior consent to Best Execution Policy, executing transactions outside a Trading Venue and non-publication of limit orders

We are required by MIFID II to obtain your prior consent to:

- This summary of our Best Execution Policy;
- The execution of transactions outside a Trading Venue (see section 1.9);
- The non-publication of unfilled limit orders in respect of shares admitted to trading on a Regulated Market or traded on a Trading Venue which are not immediately executed under prevailing market conditions (unless an exemption applies such as if your order is large in size).

If you are a Professional client you will be deemed to have given your consent to each of the above if you place an order with us, absent an instruction in writing from you to the contrary.

Please note that we will only execute your orders outside a Trading Venue if we believe that it is in your best interests to do so; this may however expose you to additional risks such as:

- The financial instrument purchased may be difficult to realise or may be realised at a worse price than if it were executed on a Trading Venue;
- Your investment may be subject to greater price volatility; and
- There may be greater counterparty risk either with the Firm or another market participant.

Likewise, we will only decide not to publish any unfilled portion of a limit order if we believe that it is in your best interests to do so, although if we decide not to make it public this may result in a delay to the execution of your order.

If you are a Retail client, the Firm will only execute your orders outside a Trading Venue or decide not to publish the unfilled portion of a limit order if we have received an instruction from you to do so. For record keeping purposes, kindly provide your instruction to us in writing by returning the Client Acknowledgement and Consent Form to us that can be found in Annex 5 of this document.

## 1.13 Receipt and transmission of orders

We will take all sufficient steps to ensure that we act in your best interests when we transmit your order to another entity for execution.

We will act honestly, fairly and professionally in accordance with your best interests when receiving and passing your orders for execution by a third party.

When transmitting orders to a third party for execution we will (as part of taking 'all sufficient steps') take into account the execution factors detailed in section 1.6 of this document. The relevant importance of these factors shall be determined for Professional and Retail clients in accordance with section 1.8.

Annex 3 includes for each class of financial instrument the entities to which we pass orders for execution and upon which we place significant reliance. This information is updated from time to time to reflect significant changes to our selection of execution venues and brokers.

With regard to the transmission of orders, a single Execution Venue for a particular financial instrument or product will only be used where it can be shown that this will allow us to obtain Best Execution for you on a consistent basis. A single venue will only be selected if we reasonably expect that the Execution Venue selected will enable the Firm to obtain results for you, which are at least as good as the results that you could reasonably expect from transmitting your orders to alternative Execution Venues (assuming there are alternative venues available).

### 1.14 Transmitted orders: Summary of venue selection process

Where we transmit your order to a third party for execution we will base our selection of the third party on the considerations set out in section 1.10 and Annex 3.

### 1.15 Cost and charges

With regard to costs and charges:

- When assessing and comparing the results for you that would be achieved by executing your order on an Execution Venue (see Annex 3) our own commissions and the costs for executing the order on each of the Execution Venues will be taken into account;
- We will not structure or charge commissions in such a way as to discriminate unfairly between Execution Venues. For example, the Firm should not charge a different commission or spread to you for execution on different Execution Venues where the difference does not reflect the difference in the costs incurred by us for executing on such an Execution Venue;
- Costs of execution included in the Firm's own commission or fees charged to you (for the provision of an investment service) will not be taken into account when determining which Execution Venues are to be included in the Firm's execution policy; and
- We maintain rate cards setting out our charges and these will be made available to you with our Terms of Business. In the event of a subsequent change in rates, we will notify you by email or as appropriate on a case-by-case basis.

### 1.16 Third party payments and minor non-monetary benefits

The FCA's Rules prohibit, in respect of business carried out for a client, the payment or receipt of inducements (e.g. fees, commissions, non-monetary benefits, etc.) to third parties unless certain conditions are met (i.e. best interest of client, disclosure to client and client enhancement). In the context of Best Execution this means that:

- Trading and Execution Venues will be selected by us on the basis of your best interests rather than because they provide other services and/or payments to the Firm;

- We shall not receive any payment, remuneration, commission or non-monetary benefit (except as set out in this bullet point) from third parties to which we direct client orders for execution (prohibition on payment for order flow) unless the benefit given or received is a minor non-monetary benefit;
  
- Where we charge more than one participant in a transaction, we will inform you of the value of any monetary or non-monetary benefits received by the Firm in accordance with our regulatory obligations; and
  
- All hospitality provided to or received from investment firms involved in providing Best Execution to our clients will be a 'minor non-monetary benefit' as that term is described in the Conflict of Interest Management Policy.

## 2 Information to clients

### 2.1 Top five Execution Venues and quarterly information

In accordance with reporting requirements under RTS 28 we publish annually on our website the top five Execution Venues in terms of trading volumes for all executed client orders per class of financial instrument together with information on the quality of execution obtained.

In accordance with reporting requirements under RTS 27 we also publish information on the quality of our execution on a quarterly basis where we execute certain equity and derivative trades in MIFID II financial instruments not subject to the trading obligation.

### 2.2 Information requests

If you make a reasonable and proportionate request for information about our:

- Best Execution policies and arrangements;
- Execution or transmission of specific orders for execution;
- Monitoring of Best Execution,

we will respond to you clearly and in writing within a reasonable time.

### 2.3 Updates to this document

In the event of a material change to our Best Execution arrangements or to the contents of this document we will make an updated version available to you. Updates of this document will be posted on our website at [http://www.cantor.com/a\\_global\\_platform/cantor\\_fitzgerald\\_europe](http://www.cantor.com/a_global_platform/cantor_fitzgerald_europe).

If you are a **Professional client** you will be deemed to have given your consent to receiving updates to our Best Execution Policy via our website if you place an order with us, absent an instruction in writing from you to the contrary.

If you are a **Retail client**, please complete the form at Annex 5 of this document and return it to us at your earliest convenience.

## 3 Monitoring and review

### 3.1 Monitoring of Best Execution

We will conduct periodic monitoring as to the effectiveness of our Best Execution arrangements, including those set out in this document, in order to identify and where necessary correct any deficiencies. Such monitoring will be completed on at least an annual basis, or otherwise when there is a material change to our execution arrangements that may impact our ability to obtain the best possible result for the execution of client orders on a consistent basis using the Execution Venues listed in Annex 3.

### 3.2 Reviews by Compliance

As part of our monitoring we will assess the list of execution venues noted in Annex 3 on a regular basis. Such monitoring will be undertaken with a view to ensuring that the ongoing use of these venues enables us to meet our obligation to take all sufficient steps to provide the best possible results for our clients (taking into account the execution factors listed in section 1.6 and 1.7 above as well as in Annex 4) when executing client orders. Our monitoring of execution venue performance will take account of relevant data available to us, and in particular will consider information on execution quality published by those venues.

## 4.1 Definitions

Term	Definition
Client	Any natural or legal person to whom an investment firm provides investment or ancillary services
DMA	Direct market access
Eligible counterparty	Investment firms, credit institutions, insurance companies, UCITS and their management companies, pension funds and their management companies, other financial institutions authorised or regulated under Union law or under the national law of a Member State, national governments and their corresponding offices including public bodies that deal with public debt at national level, central banks and supranational organisations
Execution factors	Account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order
Execution of orders on behalf of clients	Acting to conclude agreements to buy or sell one or more financial instruments on behalf of clients and includes the conclusion of agreements to sell financial instruments issued by an investment firm or a credit institution at the moment of their issuance
Execution Venue	A Regulated Market, MTF, OTF, SI, 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
Investment firm	Any legal person whose regular occupation or business is the provision of one or more investment services to third parties and/or the performance of one or more investment activities on a professional basis
Limit orders	An order to buy or sell a financial instrument at its specified price limit or better and for a specified size
Liquid market	Market for a financial instrument or a class of financial instruments, where there are ready and willing buyers and sellers on a continuous basis, assessed in accordance with the following criteria, taking into consideration the specific market structures of the particular financial instrument or of the particular class of financial instruments: <ul style="list-style-type: none"> <li>a. the average frequency and size of transactions over a range of market conditions, having regard to the nature and life cycle of products within the class of financial instrument;</li> <li>b. the number and type of market participants, including the ratio of market participants to traded instruments in a particular product;</li> <li>c. the average size of spreads, where available</li> </ul>
Market maker	A person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial instruments against that person's proprietary capital at prices defined by that person

Term	Definition
Multilateral Trading Facility (MTF)	A multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract
Organised Trading Facility (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, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract
Professional client	A Professional client is a client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incur, and meets criteria laid out in Annex 2.
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 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 financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly
Retail client	A client who is not a professional client
RTS	A Regulatory technical standard, a set of detailed requirements established under European Union law
Systematic internaliser	An investment firm which on an organised, frequent, systematic and substantial basis deals on its own account when executing client orders outside a regulated market, an MTF or an OTF, without itself operating a multilateral system. The frequent and systematic basis shall be measured by the number of OTC trades in the financial instrument carried out by the investment firm on own account when executing client orders. The substantial basis shall be measured either by the proportion of OTC trading carried out by the investment firm in a specific financial instrument in relation to its total trading in that instrument, or by the proportion of the OTC trading carried out by the investment firm in a specific financial instrument in relation to the total trading in the EU in that instrument.
Trading venue	A regulated market, an MTF or an OTF

## Annex 1: Financial instruments covered by MiFID II

Under MiFID II, transactions executing client orders in specific financial instruments are within the scope of this document. These instruments are listed below –

- Transferable securities such as shares and bonds;
- Money-market instruments;
- Units in collective investment undertakings;
- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivative instruments, financial indices or financial measures which may be settled physically or in cash;
- 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;
- 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;
- Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in the above bullet point and not being for commercial purposes, which have the characteristics of other derivative financial instruments;
- Derivative instruments for the transfer of credit risk;
- Financial contracts for differences;
- 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, an OTF or an MTF;
- Emission allowances consisting of any units recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme).



## Annex 2: FCA Client Classification

### Retail clients

Retail Clients are clients who do not fall under the categorisations of a Professional Client or an Eligible Counterparty. The Firm has a small number of Retail clients, including natural persons associated with the Firm's corporate clients, corporate clients not meeting the Professional client size criteria, and several local authorities.

### Professional clients

Professional Clients are considered to possess the experience, knowledge and expertise to make their own investment decisions and assess the risks inherent in their decisions. The below list includes types of Professional Clients but is not restricted to:

- Entities which are required to be authorised or regulated to operate in the financial markets;
- Credit institutions;
- Investment firms;
- Other authorised or regulated financial institutions;
- Insurance companies;
- Collective investment schemes and their management companies;
- Pension funds and their management companies;
- Commodity and commodity derivative dealers;
- Local authorities;
- Other institutional investors.

In relation to MiFID II business, large undertakings meeting two of the following size requirements on a company basis:

- Balance sheet total (gross before deduction of liabilities - €20m or more,
- Net turnover of €40m or more,
- Own funds (broadly capital and reserves) of €2m or more.

There are lower size criteria for non-MiFID II business, but these criteria are not relevant since the execution or passing of client orders is MiFID II business.

### Eligible Counterparties

Each of the following is an Eligible Counterparty (including an entity that is not from an EEA state that is equivalent to any of the following):

- an investment firm;
- a credit institution;

- an insurance company;
- a collective investment scheme authorised under the UCITS Directive or its management company;
- a pension fund or its management company;
- another financial institution authorised or regulated under European Union legislation or the national law of an EEA State;
- an undertaking exempted from the application of MiFID under either Article 2(1)(k) (certain own account dealers in commodities or commodity derivatives) or Article 2(1)(l) (locals) of that directive;
- a national government or its corresponding office, including a public body that deals with the public debt;
- a central bank;
- a supranational organisation.

## Annex 3: Financial instruments and execution venues

### 1. Equity

#### a. Equity Products – London

Asset Class	Execution Venue	Explanation of Venue Selection
Cash Equities	Aquis Exchange Athens Stock Exchange	We trade on both a matched principal and a principal basis.
Depository Receipts (e.g. American)	Australian Stock Exchange CBOE BXE Bolsa de Madrid	<p>We achieve the best possible result for our clients through the use of a number of Direct Market Access (“DMA”) providers. The DMA provider is selected according to criteria including the following:</p> <ul style="list-style-type: none"> <li>• Monitoring of performance of the DMA provider’s execution of the client order against the appropriate benchmark such as the Volume Weighted Average Price;</li> <li>• The jurisdiction in which the shares or other financial instruments are listed or the most liquid market for the financial instruments; and</li> <li>• The suitability of the algorithm used by the DMA provider taking into account the nature of the order.</li> </ul> <p>We are members of the London Stock Exchange and of Euronext and therefore have direct access to these markets. We also access these, as well as the other markets listed, via DMA and ALGO.</p>
Warrants	Borsa Istanbul Borsa Italiana	
Exchange Traded Funds (including Exchange Traded Contracts)	Budapest Stock exchange Deutsche Borse (Eurex and Xetra) Equiduct Trading (Borse Berlin) Euronext (Paris, Brussels, Amsterdam and Lisbon)	
Exchange Traded Notes	Hong Kong Stock Exchange	
Closed Ended Funds (Investment Trusts)	Irish Stock Exchange Johannesberg Stock Exchange London Stock Exchange	
Open Ended Funds (OEICs, ICVC)	NYSE Arca NYSE Nasdaq	
Open Ended Funds (Unit Trusts)	Nasdaq OMX (Stockholm, Helsinki, Copenhagen) Oslo Bors Canadian Stock Exchange Prague Stock Exchange Swiss Stock Exchange Tel Aviv Stock Exchange Tokyo Stock Exchange Warsaw Stock Exchange (GPW) Wiener Borse (Vienna)	
	<b><u>Multilateral Trading Facilities</u></b> CBOE CXE Dark CBOEBXE Dark Book ITG Posit Liquidnet H20 Morgan Stanley Dark NASDAQ Nordic Mid Sigma X MTF (Goldman Sachs) Swiss AT Mid	

Asset Class	Execution Venue	Explanation of Venue Selection
	<p>Turquoise UBS MTF</p> <p><b>External Brokers-Dealers</b> Bank of America Merrill Lynch Morgan Stanley Goldman Sachs Knight Capital Group Match Europe BGC Brokers Citigroup Global Markets Limited Credit Suisse Securities Europe ITG Posit Instinct X (Bank of America Merrill Lynch) Instinet (Nomura) JPM-X (JP Morgan) Liquidnet MS Pool (Morgan Stanley) UBS</p> <p><b>Group Entity Broker-Dealers</b> Cantor Fitzgerald Canada Corp Cantor Fitzgerald &amp; Co. Cantor Fitzgerald (Hong Kong) Capital Markets</p>	

**b. Equity Products – Hong Kong via Cantor Fitzgerald (Hong Kong) Capital Markets Limited (“CFHK”) and Japan via Cantor Fitzgerald Securities Japan Co., Ltd (“CFSJ”)**

Asset Class	Execution Venue	Explanation of Venue Selection
Cash Equities  Exchange Traded Funds (including Exchange Traded Contracts)	<p><b>Investment Exchanges</b> Hong Kong Stock Exchange</p> <p><b>External Brokers-Dealers</b></p> <p><b>Hong Kong Market</b> Instinet Pacific Ltd Citi Global Markets Societe Generale Goldman Sachs International</p> <p><b>Australian Market</b> Deutsche Bank</p>	<p>Choice of venues depends on various factors including:</p> <ul style="list-style-type: none"> <li>• Market in which the product is listed</li> <li>• Client’s specific order instructions e.g. designated execution venue, crossing via specific brokers</li> <li>• Price and liquidity the relevant venues can provide</li> <li>• Client order size vs our trading limit in the relevant markets</li> </ul>

Asset Class	Execution Venue	Explanation of Venue Selection
	Citi Global Markets Goldman Sachs International Societe Generale Morgan Stanley & Co International Instinet Pacific Macquarie Bank  <b>Singapore Market</b> Deutsche Bank Citi Global Markets Morgan Stanley & Co International Goldman Sachs International  <b>Indian market</b> ICICI Securities Ltd  <b>Indonesia Market</b> Macquarie Bank Limited Citi Global Markets Instinet Pacific Morgan Stanley & Co International San Sanford C. Bernstein and Co LLC  <b>Japan Market</b> Goldman Sachs International Societe Generale Citi Global Markets Morgan Stanley & Co International Instinet Pacific CLSA Singapore  <b>Korea Market</b> Mirae Asset Daewoo Co Korea Investment Securities  <b>Malaysia Market</b> Macquarie Bank Limited Citi Global Markets RHB Investment Bank Berhad  <b>New Zealand</b> Macquarie Bank Limited Instinet Pacific	<ul style="list-style-type: none"> <li>• Service standard (such as willingness to respond to our questions) and commission rates of the relevant external brokers</li> <li>• Credit and settlement risks</li> <li>• Commercial positioning and ranking of the external brokers</li> <li>• Mechanism of the venue for achieving best execution</li> </ul> <p>We can access the Hong Kong Stock Exchange directly as CFHK is a member.</p> <p>All markets on the list can be accessed by the use of the named broker-dealers' DMA, ALGO or CARE.</p>

Asset Class	Execution Venue	Explanation of Venue Selection
	<p>Societe Generale</p> <p><b><i>Philippines Market</i></b>  Macquarie Bank Limited  Citi Global Markets  Morgan Stanley &amp; Co International  Sanford C. Bernstein and Co LLC  Goldman Sachs International</p> <p><b><i>Thailand Market</i></b>  Macquarie Bank Limited  Citi Global Markets  Morgan Stanley &amp; Co International  Sanford C. Bernstein and Co LLC  Goldman Sachs International</p> <p><b><i>Taiwan Market</i></b>  Macquarie Bank Limited</p> <p><b><i>China Market (under HK-China Stock Connect)</i></b>  CICC</p> <p><b><u>Group Entity Broker-Dealers</u></b>  Cantor Fitzgerald Europe  Cantor Fitzgerald &amp; Co  Cantor Fitzgerald (Hong Kong) Capital Markets</p>	

**c. Equity Products – US via Cantor Fitzgerald & Co (“CF&Co”)**

Asset Class	Execution Venue	Explanation of Venue Selection
Cash Equities Depository Receipts (e.g. American) Warrants Exchange Traded Funds (including Exchange Traded Contracts)	<p><b><u>Investment Exchanges</u></b>  Aquis Exchange  Athens Stock Exchange  Australian Stock Exchange  Bats trading  Bolsa de Madrid  Borsa Istanbul  Borsa Italiana  Budapest Stock exchange  Deutsche Borse (Eurex and Xetra)  Equiduct Trading (Borse Berlin)</p>	<p>Where the firm has relevant exchange memberships, the equity desks will normally select whichever exchange offers the best price and liquidity in the shares concerned, unless their customer specifically instructs them to execute elsewhere.</p> <p>Other factors which would override the primacy of price in venue selection revolve around ease of transaction and settlement – for</p>

Asset Class	Execution Venue	Explanation of Venue Selection
Closed Ended Funds (Investment Trusts)	Euronext (Paris, Brussels, Amsterdam and Lisbon) Hong Kong Stock Exchange Irish Stock Exchange Johannesburg Stock Exchange London Stock Exchange NYSE Arca NYSE Nasdaq Nasdaq OMX (Stockholm, Helsinki, Copenhagen) Oslo Bors Canadian Stock Exchange Prague Stock Exchange Swiss Stock Exchange Tel Aviv Stock Exchange Tokyo Stock Exchange Wiener Borse (Vienna)  <u><b>External Brokers-Dealers</b></u> Bank of America Merrill Lynch Morgan Stanley Goldman Sachs Knight Capital Group Match Europe Citigroup Global Markets Limited Credit Suisse Securities Europe ITG Posit Instinct X (Bank of America Merrill Lynch) Instinet (Nomura) JPM-X (JP Morgan) MS Pool (Morgan Stanley) UBS AG Casa de Bolsa Finamex GBM Grupo Bursatil Mexicano XP Securities  <u><b>Group Entity Broker-Dealers</b></u> Cantor Fitzgerald Canada Corp Cantor Fitzgerald Europe Cantor Fitzgerald Hong Kong	instance the difficulty of transferring shares from one jurisdiction's clearing system to another.  Where the firm has no relevant exchange memberships it will select executing brokers according to their regional or sectoral expertise, and for their ability to match their trading strategy to the customer's instructions.

## 2. Debt

### a. Debt – London

Asset Class	Execution Venue	Explanation of Venue Selection
UK Government	London Stock Exchange	All gilts will be traded on the London Stock Exchange where they are listed.
Non-UK Government	<b>OTC</b> Cantor Fitzgerald Europe Cantor Fitzgerald & Co	CFE operates a principal booking model and therefore the execution venue is either CFE or CF & Co. The execution venue is dependent upon which group entity the counterparty has a relationship with.
Corporate	<b>OTC</b> Cantor Fitzgerald Europe Cantor Fitzgerald & Co	
Supranational	<b>OTC</b> Cantor Fitzgerald Europe Cantor Fitzgerald & Co	

### b. Debt – Hong Kong via Cantor Fitzgerald (Hong Kong) Capital Markets Limited (“CFHK”)

Asset Class	Execution Venue	Explanation of Venue Selection
Government	<b>OTC</b> Cantor Fitzgerald Europe Cantor Fitzgerald & Co	CFHK’s Fixed Income Desk executes bond trades on behalf of CFE and its clients. Trades are executed on a principal basis.  Some US instruments are only available via our New York affiliate, CF & Co, e.g. US Repos, MBS.
Corporate	<b>OTC</b> Cantor Fitzgerald Europe Cantor Fitzgerald & Co	
Supranational	<b>OTC</b> Cantor Fitzgerald Europe Cantor Fitzgerald & Co	

### c. Debt – US via Cantor Fitzgerald & Co (“CF&Co”)

Asset Class	Execution Venue	Explanation of Venue Selection
Government	<b>OTC</b> Cantor Fitzgerald Europe Cantor Fitzgerald & Co	CFJ’s Fixed Income Desk executes bond trades on behalf of CFE and its clients. Trades are executed on a principal basis.  Some US instruments are only available via our New York affiliate, CF & Co, e.g. US Repos, MBS.
Corporate	<b>OTC</b> Cantor Fitzgerald Europe Cantor Fitzgerald & Co	
Supranational	<b>OTC</b> Cantor Fitzgerald Europe Cantor Fitzgerald & Co	



**d. Debt – Singapore via Cantor Fitzgerald Singapore Pte. Ltd. (“CFSP”)”) )**

Asset Class	Execution Venue	Explanation of Venue Selection
Government	<u>OTC</u> Cantor Fitzgerald Europe Cantor Fitzgerald & Co	CFSP’s Fixed Income Desk executes bond trades on behalf of CFE and its clients. Trades are executed on a principal basis. The execution venue is dependent upon which group entity the counterparty has a relationship with.
Corporate	<u>OTC</u> Cantor Fitzgerald Europe Cantor Fitzgerald & Co	

**3. Contracts for Differences on Equity (CFD) and Equity Swaps (EQS)**

Asset Class	Execution Venue	Explanation of Venue Selection
CFDs and EQS	<u>OTC</u> Cantor Fitzgerald Europe (CFE)	CFE writes CFDs and EQS to its clients. CFDs and EQS are OTC products for which accordingly CFE is the execution venue.

**4. Equity Derivatives**

Asset Class	Execution Venue	Explanation of Venue Selection
Futures and options admitted to trading on a venue	Eurex, Euronext (Amsterdam, Paris and Brussels), Nasdaq OMX, ICE Futures Europe, MEFF, IDEM, LSEDM, Oslo bors	Options are crossed on their local exchange. Where more than one exchange is possible CFE will follow the client’s instruction as to which exchange to execute the trade on.
Cash Equities	Deutsche Borse (Xetra), Euronext (Amsterdam and Paris), ICE Futures Europe, MEFF  OTC	Cash positions are used to hedge options positions. Stock is crossed either on the local exchange or as a back to back OTC trade depending on the counterparty.

## Annex 4: Relative importance of execution factors

### 1. Equity Products

#### a. Equity Products – London

Asset Class	Execution Factor Priority	Comment
Cash Equities – liquid markets	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Speed</li> <li>4. Costs</li> <li>5. Likelihood of execution and settlement</li> <li>6. Nature</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	<p>We will prioritise price for Professional clients and total consideration for Retail clients.</p> <p>This will not be the case if the client gives instructions that another execution factor should take priority.</p> <p>Other factors that could change the priority of execution would include a stock becoming illiquid (see below), in which case the likelihood of execution could take priority.</p> <p>Speed of execution could take priority in some circumstances, for example in the event of a significant macro or stock specific announcement.</p> <p>Extreme market volatility could make size an overriding factor in execution</p>
Cash Equities – illiquid markets	<ol style="list-style-type: none"> <li>1. Likelihood of execution and settlement</li> <li>2. Price</li> <li>3. Size</li> <li>4. Costs</li> <li>5. Nature</li> <li>6. Speed</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	<p>In illiquid markets, particularly for larger transactions, the focus will be on achieving execution rather than on price.</p>
Depositary Receipts (e.g. American) – liquid markets	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Speed</li> <li>4. Costs</li> <li>5. Likelihood of execution and settlement</li> <li>6. Nature</li> </ol>	<p>Same as ‘Cash Equities – liquid markets’</p>

Asset Class	Execution Factor Priority	Comment
	7. Any other consideration relevant to the execution of the order	
Depository Receipts (e.g. American) – illiquid markets	<ol style="list-style-type: none"> <li>1. Likelihood of execution and settlement</li> <li>2. Price</li> <li>3. Size</li> <li>4. Costs</li> <li>5. Nature</li> <li>6. Speed</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	Same as ‘Cash Equities – illiquid markets’
Warrants – liquid markets	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Speed</li> <li>4. Costs</li> <li>5. Likelihood of execution and settlement</li> <li>6. Nature</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	Same as ‘Cash Equities – liquid markets’
Warrants – illiquid markets	<ol style="list-style-type: none"> <li>1. Likelihood of execution and settlement</li> <li>2. Price</li> <li>3. Size</li> <li>4. Costs</li> <li>5. Nature</li> <li>6. Speed</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	Same as ‘Cash Equities – illiquid markets’
Exchange Traded Funds (inc. Exchange Traded Contracts) – liquid markets	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Speed</li> <li>4. Costs</li> <li>5. Likelihood of execution and settlement</li> <li>6. Nature</li> </ol>	Same as ‘Cash Equities – liquid markets’

Asset Class	Execution Factor Priority	Comment
	7. Any other consideration relevant to the execution of the order	
Exchange Traded Funds (inc. Exchange Traded Contracts) – illiquid markets	1. Likelihood of execution and settlement 2. Price 3. Size 4. Costs 5. Nature 6. Speed 7. Any other consideration relevant to the execution of the order	Same as ‘Cash Equities – illiquid markets’
Exchange Traded Notes – liquid markets	1. Price 2. Size 3. Speed 4. Costs 5. Likelihood of execution and settlement 6. Nature 7. Any other consideration relevant to the execution of the order	Same as ‘Cash Equities – liquid markets’
Exchange Traded Notes – illiquid markets	1. Likelihood of execution and settlement 2. Price 3. Size 4. Costs 5. Nature 6. Speed 7. Any other consideration relevant to the execution of the order	Same as ‘Cash Equities – illiquid markets’
Closed Ended Funds (Investment Trusts) – liquid markets	1. Price 2. Size 3. Speed 4. Costs 5. Likelihood of execution and settlement 6. Nature	Same as ‘Cash Equities – liquid markets’

Asset Class	Execution Factor Priority	Comment
	7. Any other consideration relevant to the execution of the order	
Closed Ended Funds (Investment Trusts) – illiquid markets	<ol style="list-style-type: none"> <li>1. Likelihood of execution and settlement</li> <li>2. Price</li> <li>3. Size</li> <li>4. Costs</li> <li>5. Nature</li> <li>6. Speed</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	Same as ‘Cash Equities – illiquid markets’
Open Ended Funds (OEICs, ICVC) – liquid markets	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Speed</li> <li>4. Costs</li> <li>5. Likelihood of execution and settlement</li> <li>6. Nature</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	Same as ‘Cash Equities – liquid markets’
Open Ended Funds (OEICs, ICVC) – illiquid markets	<ol style="list-style-type: none"> <li>1. Likelihood of execution and settlement</li> <li>2. Price</li> <li>3. Size</li> <li>4. Costs</li> <li>5. Nature</li> <li>6. Speed</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	Same as ‘Cash Equities – illiquid markets’
Open Ended Funds (Unit Trusts) – liquid markets	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Speed</li> <li>4. Costs</li> <li>5. Likelihood of execution and settlement</li> <li>6. Nature</li> </ol>	Same as ‘Cash Equities – liquid markets’

Asset Class	Execution Factor Priority	Comment
	7. Any other consideration relevant to the execution of the order	
Open Ended Funds (Unit Trusts) – illiquid markets	1. Likelihood of execution and settlement 2. Price 3. Size 4. Costs 5. Nature 6. Speed 7. Any other consideration relevant to the execution of the order	Same as ‘Cash Equities – illiquid markets’

**b. Equity Products – Hong Kong via Cantor Fitzgerald (Hong Kong) Capital Markets Limited (“CFHK”) and Japan via Cantor Fitzgerald Securities Japan Co., Ltd (“CFSJ”).**

Asset Class	Execution Factors Priority	Comment
Cash Equities – liquid markets	1. Price 2. Speed 3. Likelihood of execution and settlement 4. Size 5. Costs 6. Nature 7. Any other consideration relevant to the execution of the order	<p>Price is usually the most important consideration. Speed is the second most important factor, particularly where a client instruction dictates a timeline to complete their order.</p> <p>The likelihood of filling the client’s order and size are inter-related in circumstances where there is limited availability of stock, and these factors would accordingly become more important.</p>
Cash Equities – illiquid markets	1. Size 2. Price 3. Likelihood of execution and settlement 4. Speed 5. Costs 6. Nature 7. Any other consideration relevant to the execution of the order	<p>In illiquid markets equity orders tend to be large and accordingly size rather than price becomes the execution factor of highest priority. Likelihood of execution becomes more important where there are restrictions on the availability of a stock, and this will normally be of first priority in OTC markets due to their higher level of uncertainty.</p>

Asset Class	Execution Factors Priority	Comment
Exchange Traded Funds (inc. Exchange Traded Contracts) – liquid markets	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Speed</li> <li>3. Likelihood of execution and settlement</li> <li>4. Size</li> <li>5. Costs</li> <li>6. Nature</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	Same as ‘Cash Equities – liquid markets’
Exchange Traded Funds (inc. Exchange Traded Contracts) – illiquid markets	<ol style="list-style-type: none"> <li>1. Size</li> <li>2. Price</li> <li>3. Likelihood of execution and settlement</li> <li>4. Speed</li> <li>5. Costs</li> <li>6. Nature</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	Same as ‘Cash Equities – illiquid markets’

**c. Equity Products – US traded via Cantor Fitzgerald & Co (“CF&Co”)**

Asset Class	Execution Factor Priority	Comment
Cash Equities – liquid markets	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Speed</li> <li>4. Likelihood of execution and settlement</li> <li>5. Nature</li> <li>6. Any other consideration relevant to the execution of the order</li> <li>7. Costs</li> </ol>	<p>The execution factors will follow the order shown except where the client gives instructions that another factor should take priority.</p> <p>Other factors that could change the priority of execution would include a stock becoming illiquid (see below), in which case the likelihood of execution could take priority.</p> <p>Speed of execution could take priority in some circumstances, for example in the event of a significant macro or stock specific announcement.</p> <p>Extreme market volatility could make size an overriding factor in execution</p>

Asset Class	Execution Factor Priority	Comment
Cash Equities – illiquid markets	1. Likelihood of execution and settlement 2. Size 3. Price 4. Nature 5. Speed 6. Any other consideration relevant to the execution of the order 7. Costs	In illiquid markets, particularly for larger transactions, the focus will be on achieving execution rather than on price.
Depository Receipts (e.g. American) – liquid markets	1. Price 2. Size 3. Speed 4. Costs 5. Likelihood of execution and settlement 6. Nature 7. Any other consideration relevant to the execution of the order	Same as ‘Cash Equities – liquid markets’
Depository Receipts (e.g. American) – illiquid markets	1. Likelihood of execution and settlement 2. Price 3. Size 4. Costs 5. Nature 6. Speed 7. Any other consideration relevant to the execution of the order	Same as ‘Cash Equities – illiquid markets’
Warrants – liquid markets	1. Price 2. Size 3. Speed 4. Costs 5. Likelihood of execution and settlement 6. Nature 7. Any other consideration relevant to the execution of the order	Same as ‘Cash Equities – liquid markets’



Asset Class	Execution Factor Priority	Comment
Warrants – illiquid markets	<ol style="list-style-type: none"> <li>1. Likelihood of execution and settlement</li> <li>2. Price</li> <li>3. Size</li> <li>4. Costs</li> <li>5. Nature</li> <li>6. Speed</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	Same as ‘Cash Equities – illiquid markets’
Exchange Traded Funds (inc. Exchange Traded Contracts) – liquid markets	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Speed</li> <li>4. Costs</li> <li>5. Likelihood of execution and settlement</li> <li>6. Nature</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	Same as ‘Cash Equities – liquid markets’
Exchange Traded Funds (inc. Exchange Traded Contracts) – illiquid markets	<ol style="list-style-type: none"> <li>1. Likelihood of execution and settlement</li> <li>2. Price</li> <li>3. Size</li> <li>4. Costs</li> <li>5. Nature</li> <li>6. Speed</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	Same as ‘Cash Equities – illiquid markets’
Closed Ended Funds (Investment Trusts) – liquid markets	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Speed</li> <li>4. Costs</li> <li>5. Likelihood of execution and settlement</li> <li>6. Nature</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	Same as ‘Cash Equities – liquid markets’
Closed Ended Funds (Investment	<ol style="list-style-type: none"> <li>1. Likelihood of execution and settlement</li> </ol>	Same as ‘Cash Equities – illiquid markets’

Asset Class	Execution Factor Priority	Comment
Trusts) – illiquid markets	2. Price 3. Size 4. Costs 5. Nature 6. Speed 7. Any other consideration relevant to the execution of the order	

## 2. Debt

### a. Debt – London

Asset Class	Execution Factors Priority	Comment
UK Government	1. Price 2. Size 3. Speed 4. Costs 5. Likelihood of execution and settlement 6. Nature 7. Any other consideration relevant to the execution of the order	Price will normally be the most important execution factor. Size is a matter of priority where an order is sufficiently large, in respect of the quantum of available stock, to have an impact on price. Likelihood of settlement will be an important consideration where there is an extended settlement date.
Non-UK Government	1. Price 2. Size 3. Speed 4. Costs 5. Likelihood of execution and settlement 6. Nature 7. Any other consideration relevant to the execution of the order	Price and size are the most important execution factors. We look for pools of liquidity and deal with the most liquid counterparty so as to minimise any likely effect of the transaction on the future price achievable for the relevant debt.
Corporate – liquid markets	1. Price 2. Size 3. Speed 4. Costs	Normally price is the most important execution factor and this will usually be agreed by the client. For large orders likelihood of execution becomes more important.

Asset Class	Execution Factors Priority	Comment
	<ol style="list-style-type: none"> <li>5. Likelihood of execution and settlement</li> <li>6. Nature</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	
Corporate – illiquid markets	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Likelihood of execution and settlement</li> <li>4. Costs</li> <li>5. Nature</li> <li>6. Speed</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	Where liquidity is restricted for the relevant stock the terms of the deal will be negotiated between CFE and the counterparty and in these circumstances the size will impact on, but not take precedence over, price. Likelihood of execution will also be important. Given the above speed of settlement is not likely to be a high priority.
Supranational	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Speed</li> <li>4. Costs</li> <li>5. Likelihood of execution and settlement</li> <li>6. Nature</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	Same as 'UK Government'.

**b. Debt – Hong Kong traded via Cantor Fitzgerald (Hong Kong) Capital Markets Limited (“CFHK”)**

Asset Class	Execution Factors Priority	Comment
Government – liquid markets	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Costs</li> <li>4. Speed</li> <li>5. Nature</li> <li>6. Any other consideration relevant to the execution of the order</li> <li>7. Likelihood of execution and settlement</li> </ol>	<p>The price is the most important execution factor for the client, followed by executable size. Some orders have a minimum size restriction.</p> <p>Costs are usually embedded in the bid/offer spread.</p> <p>When government bonds are being used as duration hedges, best price, tightness of spread (cost) and sizes quoted are a more important consideration in the order.</p> <p>Speed is not a primary factor for OTC bond markets.</p>
Corporate – liquid markets	<ol style="list-style-type: none"> <li>1. Price</li> </ol>	As above for 'Government – liquid markets'

Asset Class	Execution Factors Priority	Comment
	2. Size 3. Costs 4. Speed 5. Nature 6. Any other consideration relevant to the execution of the order 7. Likelihood of execution and settlement	
Corporate – illiquid markets	1. Price 2. Size 3. Settlement (Delivery of the bond) 4. Costs 5. Nature 6. Any other consideration relevant to the execution of the order 7. Likelihood of execution and settlement	Price is typically the most important execution factor for client, followed by executable size. Some orders have a minimum size restriction. In distressed bonds delivery of the bond purchased is equally important for the client. Costs are usually embedded in the bid/offer spread.
Supranational	1. Price 2. Size 3. Costs 4. Speed 5. Nature 6. Any other consideration relevant to the execution of the order 7. Likelihood of execution and settlement	As above for 'Government – liquid markets'

c. Debt – US traded via Cantor Fitzgerald & Co (“CF&Co”)

Asset Class	Execution Factors Priority	Comment
Government – liquid markets	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Likelihood of execution and settlement</li> <li>4. Speed</li> <li>5. Costs</li> <li>6. Any other consideration relevant to the execution of the order</li> <li>7. Nature</li> </ol>	Price and size are the most important execution factors. We look for pools of liquidity and deal with the most liquid counterparty so as to minimise any likely effect of the transaction on the future price achievable for the relevant debt.
Government – illiquid markets	<ol style="list-style-type: none"> <li>1. Likelihood of execution and settlement</li> <li>2. Price</li> <li>3. Size</li> <li>4. Speed</li> <li>5. Costs</li> <li>6. Any other consideration relevant to the execution of the order</li> <li>7. Nature</li> </ol>	The Latin American sovereign debt markets CF & Co deals in are relatively liquid. Notwithstanding this, liquidity will be an important consideration for orders of a very large size.
Corporate – liquid markets	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Speed</li> <li>4. Costs</li> <li>5. Likelihood of execution and settlement</li> <li>6. Nature</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	Normally price is the most important execution factor and this will usually be agreed by the client. For large orders likelihood of execution becomes more important.
Corporate – illiquid markets	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Likelihood of execution and settlement</li> <li>4. Costs</li> <li>5. Nature</li> <li>6. Speed</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	Where liquidity is restricted for the relevant stock the terms of the deal will be negotiated between CFE and the counterparty and in these circumstances the size will impact on, but not take precedence over, price. Likelihood of execution will also be important. Given the above speed of settlement is not likely to be a high priority.

**d. Debt – Singapore via Cantor Fitzgerald Singapore Pte. Ltd. (“CPSPL”)**

Asset Class	Execution Factors Priority	Comment
Government – liquid markets	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Costs</li> <li>4. Speed</li> <li>5. Nature</li> <li>6. Any other consideration relevant to the execution of the order</li> <li>7. Likelihood of execution and settlement</li> </ol>	<p>The price is the most important execution factor for the client, followed by executable size. Some orders have a minimum size restriction.</p> <p>Costs are usually embedded in the bid/offer spread. When government bonds are being used as duration hedges, best price, tightness of spread (cost) and sizes quoted are a more important consideration in the order.</p> <p>Speed is not a primary factor for OTC bond markets.</p>
Corporate – liquid markets	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Costs</li> <li>4. Speed</li> <li>5. Nature</li> <li>6. Any other consideration relevant to the execution of the order</li> <li>7. Likelihood of execution and settlement</li> </ol>	As above for ‘Government – liquid markets’
Corporate – illiquid markets	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Settlement (Delivery of the bond)</li> <li>4. Costs</li> <li>5. Nature</li> <li>6. Any other consideration relevant to the execution of the order</li> <li>7. Likelihood of execution and settlement</li> </ol>	<p>Price is typically the most important execution factor for client, followed by executable size. Some orders have a minimum size restriction.</p> <p>In distressed bonds delivery of the bond purchased is equally important for the client.</p> <p>Costs are usually embedded in the bid/offer spread.</p>

### 3. Contracts for Differences on Equity (CFD) and Equity Swaps (EQS)

Asset Class	Execution Factors Priority	Comment
CFDs and EQS	<ol style="list-style-type: none"> <li>1. Price</li> <li>2. Size</li> <li>3. Speed</li> <li>4. Costs</li> <li>5. Likelihood of execution and settlement</li> <li>6. Nature</li> <li>7. Any other consideration relevant to the execution of the order</li> </ol>	<p>Price is normally the determining execution factor for CFDs/EQS, the price of the CFD/EQS being fixed by reference to the hedging transaction in the underlying securities.</p> <p>Accordingly the best execution obligation pertains to the equity transaction and the execution factors are as set out in 'Cash Equities – liquid markets' or 'Cash Equities – illiquid markets'.</p>

### 4. Equity Derivatives

Asset Class	Execution Factors Priority	Comment
Futures and options admitted to trading on a venue – liquid markets	<p><u>Cantor Fitzgerald Europe</u></p> <ol style="list-style-type: none"> <li>1. Price</li> <li>2. Speed</li> <li>3. Nature</li> <li>4. Size</li> <li>5. Any other consideration relevant to the execution of the order</li> <li>6. Likelihood of execution and settlement</li> <li>7. Costs</li> </ol> <p><u>Cantor Fitzgerald Hong Kong</u></p> <ol style="list-style-type: none"> <li>1 Likelihood of execution and settlement</li> <li>2 Price</li> <li>3 Speed</li> <li>4 Size</li> <li>5 Nature</li> </ol>	<p><u>Cantor Fitzgerald Europe</u></p> <p>As the desk deals in European exchange-traded options only, likelihood of settlement is never an issue, and the priority of execution factors only varies significantly when orders are in very large size. Typically, however, price and speed of execution will take highest priority.</p> <p><u>Cantor Fitzgerald Hong Kong</u></p> <p>The HK ETD Desk typically executes crosses for clients, therefore, the most important factor for us is if the crosses are within crossable range in prices and sizes. We occasionally trade HK equity index futures for clients, which we see price and speed</p>

Asset Class	Execution Factors Priority	Comment
	6 Costs 7 Any other consideration	the most important factors.
Futures and options admitted to trading on a venue – illiquid markets	1. Price 2. Speed 3. Nature 4. Size 5. Any other consideration relevant to the execution of the order 6. Likelihood of execution and settlement 7. Costs	As above for ‘Futures and options admitted to trading on a venue – liquid markets’
Futures and options – Block trades executed away from the venue order book	1. Price 2. Size 3. Nature 4. Speed 5. Any other consideration relevant to the execution of the order 6. Likelihood of execution and settlement 7. Costs	As above for ‘Futures and options admitted to trading on a venue – liquid markets’



## Annex 5: Retail client - Acknowledgement and Consent

We hereby consent to the CFE Best Execution Policy (as described in this document) including:

- Executing orders outside a regulated market or MTF; and
- Consent to non-publication of limit orders.

My email address is:

Signed:

Name:

Title:

Date:

For and on behalf of:

Please return this acknowledgement and consent form either:

1. By mail to –

Cantor Client Due Diligence Team  
One Churchill Place  
Canary Wharf  
London  
E14 5RB

or

2. By email to -

CDDTEAMUK@cantor.co.uk