

LXM FINANCE LLP
ORDER EXECUTION
POLICY
2018



Introduction

As required by the Markets in Financial Instruments Directive II ('MiFID II'), this document (the "Policy") sets out LXM's Order Execution Policy and arrangements for complying with the obligation to take all sufficient steps to obtain the best possible outcome for our client's orders (so called 'best execution').

Policy Scope

LXM is required to put in place an Order Execution Policy, and to take all sufficient steps to obtain the best possible outcome for clients who are 'legitimately relying' on LXM for the execution or receipt and transmitting of client orders in "financial instruments" (as defined in Annex 1 Section C of MiFID II). An order is an instruction to buy or sell a financial instrument which is accepted by LXM for execution or onward transmission to a third party and which gives rise to contractual or agency obligations to the client. This policy only applies to business conducted with Clients classified by LXM as Professional clients. The best execution obligation is deemed not to apply when dealing with Eligible Counterparties.

Executing Broker

We use the execution services of one or more executing brokers who are the means by which you access different execution venues. We can only use executing brokers with whom you have an agreement for execution and settlement. You shall instruct us before we provide any Services as to the identity of the executing broker(s) we are instructed to use on your behalf.

Execution Venues

We include in our Order Execution Policy details of the various sources of liquidity, which we access for each of the financial instruments covered by MiFID II in respect of which we transmit orders on behalf of clients. These sources of liquidity are referred to as "execution venues" and include: regulated markets and multilateral trading facilities; systematic internalisers, market makers and other liquidity providers; and non-EEA entities performing a similar function to any of the above. We include those execution venues that we believe enable us to obtain on a consistent basis the best possible result for the execution of your orders. As a consequence, we may instruct the execution of orders on an execution venue which is not a regulated market or a multilateral trading facility under MiFID II.

More details about the execution venues that we include in our Order Execution Policy for individual financial instruments will be available upon request. For each financial instrument in which we execute orders on your behalf, we will publish on our website the five execution venues by product type that we consider enable us to obtain on a consistent basis the best possible result for your Orders.

Relevant Execution Factors

When determining the strategy for execution of a client's order LXM will take into consideration certain 'Execution Factors' as appropriate, in the context of the terms of the client order. The 'Execution Factors' that LXM may consider include but are not limited to:

- Price;
- Speed;
- Market liquidity;

- Size of order;
- Likelihood of execution and settlement;
- Costs of the transaction;
- Market impact;
- Nature of the transaction including whether it is executed on a regulated market, MTF, OTF or over the counter; and any other consideration relevant to the efficient execution of the order.

Ordinarily, price will merit a high relative importance in obtaining the best possible result. However, we may decide that other factors may be more important in determining the best possible execution result in accordance with our Policy.

We may combine your order with orders of other customers. We may do so provided that it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated but the effect of aggregation may work to your disadvantage in relation to a particular order.

If you give us a limit order (an order to buy or sell at a specified price limit or better and for a specified size) then if the order is not immediately executed under prevailing market conditions, you instruct us not to make the order public immediately unless we consider that it is in your best interests to do so.

If you are required to make trade or transaction reports you may not rely on us to do it for you.

You agree that all orders are executed subject to applicable FCA Rules and the rules of any relevant investment exchange or multilateral or other trading facility. You agree that we are not responsible for any default or failure on the part of any counterparty to a transaction.

Monitoring and Review

We monitor the effectiveness of our order execution arrangements and Order Execution Policy on an on-going basis to identify and implement any appropriate enhancements. In addition, we regularly review whether the execution venues included in the Policy, and the brokers and dealers to whom we transmit orders for execution provide for the best possible result for our clients on a consistent basis and whether we need to make changes to these execution arrangements.

We will notify you of any material changes to the above description by publishing updates on our website.

Consent

You are deemed to have consented to your transactions being handled in accordance with this best execution policy.