

MAREX FINANCIAL LIMITED – EXECUTION QUALITY ANALYSIS

Under the rules of the Financial Conduct Authority (“FCA”) and the requirements of the Markets in Financial Instruments Directive 2014/65/EU (“MiFID II”), Marex Financial Limited (“MFL”) is required to take all sufficient steps to obtain the best possible result for its Professional Clients taking into account various factors and criteria. This is called “Best Execution”.

The purpose of this document is to provide a summary of MFL’s conclusions drawn from our monitoring of the quality of execution obtained on Professional Client orders in the previous year, in accordance with Regulatory Technical Standard 28 (“RTS 28”), supplementing MiFID II.

ASSET CLASS – EXCHANGE TRADED PRODUCTS (“ETP”)

- *RTS 28, Article 3(3)(a) – An explanation of the relative importance MFL gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.*

MFL considers price as an execution factor to ordinarily be of high relative importance in achieving Best Execution. However, the applicability of, and importance attached to each execution factor will vary according to the type of transaction that is being executed and the instructions given to us.

As such, MFL exercises appropriate judgment to take a holistic view when considering the applicable execution factors and the relative importance of the execution factors, with reference to the characteristics of: (i) the client; (ii) the order; (iii) the financial instrument; and (iv) the relevant execution venue(s). By way of example, when transacting a large order, minimising market impact will likely be a significant factor to consider, or, when trading an illiquid product, the need for timely execution may bear more importance than price.

- *RTS 28, Article 3(3)(b) – A description of any close links, conflicts of interests and common ownerships with respect to any execution venues used to execute orders.*

Other than with regard to bullion and FX, all Professional Client orders are executed on, or subject to, the rules of regulated markets or third-country exchanges. MFL does not have any common ownerships or links giving rise to a potential conflict of interest with these regulated markets or third-country exchanges.

- *RTS 28, Article 3(3)(c) – A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.*

MFL may be eligible for certain exchange approved incentive schemes from time to time.

- *RTS 28, Article 3(3)(d) – An explanation of the factors that led to a change in the list of execution venues listed in MFL’s execution policy, if such a change occurred.*

No change.

- ***RTS 28, Article 3(3)(e) – An explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements.***

MFL is committed to providing a high-quality execution service to its clients on a consistent basis. This is fundamental to promoting trust and confidence in MFL, in the integrity of markets and to the delivery of good outcomes for clients when properly relying on us to act in their best interests. As such, while the regulatory Best Execution obligation only extends to the MFL's Professional Clients, it is in MFL's commercial interests to strive to achieve best execution for Eligible Counterparty Clients also.

- ***RTS 28, Article 3(3)(f) – An explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.***

MFL does not execute orders on behalf of retail clients.

- ***RTS 28, Article 3(3)(g) – An explanation of how MFL has used any data or tools relating to quality of execution, including any data published under RTS 27.***

MFL's execution arrangements are monitored to review their quality, in order to identify and correct any lack of effectiveness. The main considerations in reviewing quality include the market price at the time of execution for the instrument traded and whether the order was executed in a timely fashion.

MFL selects a sample of market and other discretionary trades on a weekly basis to determine whether the best possible result has been obtained for the client. This is achieved by looking at: (i) when the client gave the order (from IM, text, email etc.); (ii) time of execution; and (iii) Bloomberg (or other suitable source) for market prices around the time of execution.

- ***RTS 28, Article 3(3)(h) – Where applicable, an explanation of how MFL has used output of a consolidated tape provider established under Article 65 of MiFID II.***

Not applicable.