

Order Execution Policy

Last updated: August 2019



Contents

1.0. INTRODUCTION.....	3
1.1. Purpose.....	3
1.2. Accessibility and Consent	3
2.0. SCOPE	3
2.1. Client Orders	3
2.2. Classes of Financial Instruments.....	3
2.3. Specific Instructions	4
2.4. Market Conditions.....	4
3.0. ORDER TYPES	4
3.1. DEA Orders	4
3.2. Algo Orders	4
3.3. Worked Orders	5
3.4. Broker-Neutral Orders.....	5
4.0. ALGO EXECUTION FACTORS.....	5
4.1. SOR orders	6
4.2. Conditional Orders.....	7
4.3. Benchmark and Participation Strategies.....	7
4.4. Liquidity-driven Strategies.....	8
5.0. EXECUTION VENUES.....	9
5.1. Share Trading Obligation	9
5.2. Trading Away from MiFID Trading Venues.....	9
5.3. Venue Selection.....	9
5.4. Execution via IEL Affiliate Entities	10
5.5. Execution via Local Executing Brokers.....	10
5.6. BlockMatch User Groups	10
6.0. VENUE ASSESSMENT.....	10
6.1. Venues Appendices.....	10
6.2. Assessment Process	11
7.0. GOVERNANCE AND OVERSIGHT	11
7.1. Best Execution Assessment.....	11
7.2. Supervision and Oversight	11
7.3. Transaction Cost Analysis.....	12
8.0. CONFLICTS OF INTEREST.....	12
8.1. Conflicts of Interest Policy.....	12
8.2. BlockMatch.....	12
9.0. FIDUCIARY RESPONSIBILITY	12
10.0. GLOSSARY OF TERMS	13

1.0. INTRODUCTION

1.1. Purpose

As a result of Directive 2014/65/EU on markets in financial instruments ('MiFID II'), investment firms are required to take all sufficient steps to obtain, when executing orders, the best possible result for their clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

With this Order Execution Policy ('Policy') Instinet Europe Limited ('IEL', 'we', or 'us') defines how it complies with its best execution obligation on a consistent basis. This document aims to explain clearly, in sufficient detail and in a way that can be easily understood by clients, how client orders will be executed. This Policy applies where a client places orders with IEL, and a separate Order Execution Policy applies when orders are placed with another Instinet Group entity, such as its affiliate Instinet Germany GmbH ('IGG').

1.2. Accessibility and Consent

This policy is publicly available via the Instinet website¹ and distributed as part of the client on-boarding process. Clients are therefore deemed to have consented to this policy upon placing their first order with IEL. In the event of changes classed as 'material' by the Best Execution Committee (see section 7.2 below), IEL will where possible notify clients directly by email or similar means. Minor changes will be made by re-publishing the amended policy on the website.

2.0. SCOPE

2.1. Client Orders

IEL operates as an agency broker, performing investment services related to the execution of orders on behalf of Professional Clients or Eligible Counterparties². IEL is not a Systematic Internaliser ('SI').

2.2. Classes of Financial Instruments

IEL executes orders primarily in the following classes of financial instruments³:

- Equities – Shares & Depository Receipts
- Exchange traded products (including exchange traded funds, exchange traded notes and exchange traded commodities)

¹ <https://www.instinet.com/legal-regulatory>

² As defined in COBS 3 of the FCA Handbook

³ As defined by Annex I of *Commission Delegated Regulation (EU) 2017/576 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution ("RTS 28")*

However this does not preclude IEL (subject to its regulatory permissions) from executing orders in other types of securities or instruments when required in order to fulfill client orders.

2.3. Specific Instructions

All orders to trade must contain at least a symbol identifier, a quantity of shares (or notional value), and a side (e.g. buy or sell). Additional instructions should also be specified, depending on the order type (see section 3 below). All orders are treated on their own merits; IEL does not aggregate orders unless expressly instructed to do so.

Where a client provides IEL with a specific instruction in relation to a particular aspect of an order, IEL will execute the order in accordance with the client's instruction and will not have any further best execution obligations in respect of that instruction. Best execution obligations may however still apply to the part of the order that was not subject to the specific instruction.

2.4. Market Conditions

If IEL receives an order that in our view is potentially inappropriate for the market conditions, we will contact the client and efforts will be made to identify alternative execution options; otherwise we reserve the right not to execute the order, or to adjust the instructions or parameters such that IEL is able to comply with its market integrity obligations and duties under this Policy. 'Stop order' instructions will be accepted on a best efforts basis only.

When there are circumstances beyond IEL's control, we may not be able to achieve full compliance with our best execution obligations; in such instances we will notify clients whose orders may be affected.

3.0. ORDER TYPES

IEL accepts different order types based on the mechanism used by clients to send the order information to IEL. The method of sending also dictates the degree of discretion that IEL is able to apply to the execution of an order and as such the degree to which this Policy will apply.

3.1. DEA Orders

Clients sending Direct Electronic Access ('DEA') orders (including DMA and Sponsored Access) are deemed to have sent IEL a complete specific instruction and IEL therefore does not have any best execution obligations in relation to such orders.

3.2. Algo Orders

Clients may directly access IEL's suite of algorithmic trading products ('algos'), which are developed by the Instinet Group and overseen by IEL. These are divided into three types:

- 1) **SOR orders:** clients sending orders via IEL's Smart Order Router ('SOR') must specify either a limit or a market price together with certain other parameters. Any

parameters not fully specified by the client will be at IEL's discretion, and subject to best execution obligations.

- 2) **Conditional orders:** clients sending IOIs or RFQs via IEL's Conditional Order Manager ('COM') must specify a strategy together with certain other parameters. If an execution opportunity is found, the COM may request the client to follow up with a firm order. IOIs and RFQs are not strictly subject to best execution obligations unless backed by a firm order; however IEL will at all times aim to act in a client's best interest when managing IOIs or RFQs. Any firm orders sent may be subject to best execution obligations depending on the nature of the instructions sent.
- 3) **Experts orders:** clients sending orders via IEL's Execution Experts® ('Experts') suite or ancillary products may select from a range of strategies to address different trading objectives, each with multiple parameters and customization options. Experts strategies fall into three broad categories:
 - i. benchmark strategies: orders with explicit benchmarks, such as VWAP or Target Close;
 - ii. participation strategies: orders targeting a percentage of market volume;
 - iii. liquidity-driven strategies: orders designed to maximize liquidity.

Algos may divide client 'parent' orders into multiple 'child' orders. IEL may have best execution obligations in relation to both parent and child orders depending on the algo and parameters chosen.

3.3 Worked Orders

Clients may send orders to be executed by IEL's coverage team, who may provide advice on instructions and agree a trading strategy based on their market knowledge and expertise. IEL's traders may use their discretion to execute the client order by using algos, third-party brokers, direct market access, or any other appropriate means. All worked orders are subject to best execution obligations.

3.4 Broker-Neutral Orders

Clients may at times instruct IEL to route orders to a third party for execution, for example when sending orders to IEL's Broker Wheel which in turn routes client orders to third-party broker algos according to an agreed formula. In this scenario IEL has no discretion or best execution obligations, unless an order is sent to IEL's algos to execute as part of the distribution process.

4.0 ALGO EXECUTION FACTORS

IEL's algos use a multi-phase approach to accessing venues, and send orders to different venues in each phase, depending on the principal execution factors.

The principal execution factors for each algo phase are set out below. The main factors considered are the following:

- Immediate price – comparison of the price at which trades are executed with the consolidated best bid/offer or with recent prices across eligible venues at the time;
- Market impact – the effect of executions on a venue upon subsequent market prices, measured over seconds and/or minutes, relative to the average or typical move;
- Speed – a measurement of time that elapses between the algo's trading decision and the venue's response, measured in milliseconds or microseconds;
- Likelihood of execution – an evaluation of achieved versus possible fill rates, using different measurement techniques depending on the phase;
- Cost – the trading fees for a venue including settlement.

4.1 SOR orders

Clients accessing IEL's Smart Order Router ('SOR'), either directly or via one of IEL's Execution Management System ('EMS') products, are able to choose from a variety of SOR strategies. If no strategy is selected, the default strategy is applied, which is governed by IEL's Best Execution framework. For details of customisation options, contact your IEL coverage representative.

IEL's SOR uses up to 4 phases when trading European-listed stocks, depending on the marketability of the order, client preferences and venues available. For a marketable order the sequence of phases is as follows:

- **Mid phase:** the SOR looks for mid-point liquidity by sequentially sending orders to various dark and alternative venues, using 'Immediate-or-Cancel' orders with mid-peg and a minimum fill size.

Principal factors: Immediate price, Speed.

- **All-or-None phase:** the SOR assesses whether there are visible SI quotes or alternative venues available where it can complete the full size without affecting lit order books.

Principal factors: Immediate price, Market impact.

- **Spray phase:** the SOR assesses lit order books and takes liquidity from them as simultaneously as possible with 'Immediate-or-Cancel' orders.

Principal factors: Immediate price, Cost.

- **Post phase:** if a portion of an order remains unexecuted due to a limit price, or the SOR receives a non-marketable order, it will post the remainder on one or more venues, depending on the strategy.

Principal factors: Likelihood of execution, Cost.

Depending on the circumstances the SOR may also perform the following actions:

- **Pullback:** if an order posted on one venue becomes marketable elsewhere, the SOR will pull back the appropriate quantity and follow the spray phase logic above.
- **Revisions:** if a non-marketable order is revised to become marketable, the SOR will follow all phases as above when managing the revision.
- **Auctions:** if an order is sent during an auction call phase of the security's primary market, the SOR will send the order to that venue. If the order is not fully executed due to a limit price, it will then follow the post phase logic above. If a posted order sees that the primary market has entered an auction call phase, the SOR will pull back the order from its resting venue and send the order to the primary market.

4.2 Conditional Orders

Clients accessing IEL's Conditional Order Manager ('COM'), either directly or through one of IEL's EMS products, are able to choose from a variety of strategies, some of which may involve selecting venues, counterparties or dissemination options for the conditional message.

Depending on the strategy, multiple phases may be used involving the following actions:

- **IOIs/RFQs:** the COM sends conditional messages to one or more venues, using a staggered sequence where appropriate. If a potential match is found, the COM may request the client to follow up with a firm order, and may instruct that specific parameters are sent.

Principal factors: Immediate price, Likelihood of execution.

- **Data feeds:** the COM scans market data feeds for trading opportunities, based on certain criteria. If a potential match is found, the COM may request the client to follow up with a firm order, and may instruct that specific parameters are sent.

Principal factors: Immediate price, Market impact.

It should be noted that the visibility of IOIs/RFQs may vary on different venues and platforms. When sending conditional messages on behalf of a client, IEL may use its discretion to send messages to appropriate targets according to its understanding of the client's best interests, unless specifically instructed otherwise.

4.3 Benchmark and Participation Strategies

Client orders sent to the Experts' benchmark and participation strategies may be sliced into smaller orders at the discretion of the algo. Analytics used may involve historical volume patterns as well as dynamic real-time market data. It should be noted that benchmark and

participation strategies can also be set to employ an additional liquidity-seeking element if desired.

Depending on the strategy, multiple phases may be used involving the following actions:

- **Aggressive orders:** Experts may send marketable orders in order to achieve their strategy objectives, using the SOR as described above.

Principal factors: Immediate price, Likelihood of execution.

- **Passive lit orders:** Experts may place resting orders on lit venues based on a real-time analytics model.

Principal factors: Likelihood of execution, Market impact.

- **Opportunistic orders:** Experts may at times place resting orders on one or more alternative venues to improve their tracking of a benchmark or participation target.

Principal factors: Immediate price, Market impact.

4.4 Liquidity-driven Strategies

Orders sent to the Experts' liquidity-driven algos such as WORK or Nighthawk may access a wider range of venues than orders sent to benchmark-tracking algos. These algos do not follow set schedules but aim to maximize liquidity access within certain parameters; for example by focusing on dark and alternative venues, while reducing market impact and information leakage. These algos may determine the appropriate quantities to place on each venue at specific times and manage the visibility of those orders.

Instead of or addition to the phases described above, liquidity-driven strategies may employ the following phases:

- **Sequential sweeps:** Experts send aggressive orders to dark or alternative venues with a minimum fill size.

Principal factors: Market impact, Likelihood of execution.

- **Resting orders:** Experts place passive orders on dark or alternative venues with a minimum fill size. Those orders may interact either with firm orders or IOIs on those venues where applicable.

Principal Factors: Market impact, Likelihood of execution.

- **IOIs:** Experts send IOIs to conditional venues or the COM with a minimum fill size in a staggered sequence looking for block liquidity.

Principal factors: Immediate price, Likelihood of execution.

The venues available for access may be impacted by the following circumstances:

- Whether trading under the Reference Price Waiver is available;
- Whether the order is above Large In Scale size;
- Which style parameter has been chosen.

5.0. EXECUTION VENUES

5.1. Share Trading Obligation⁴

IEL must ensure that trades in shares admitted to trading on an EEA regulated market take place on a regulated market, MTF or systematic internaliser, or on a third-country trading venue which has been assessed as equivalent⁵, subject to certain exclusions.

If a client places an order to execute a share that is both listed on an EEA regulated market and also admitted to a third-country venue that has not been assessed as equivalent, IEL may choose to execute on the most appropriate venue(s) for that security in order to obtain the best possible result for the client.

5.2. Trading Away from MiFID Trading Venues

In some situations IEL may consider that the best possible execution result for an order will be obtained by trading outside of a Regulated Market or MTF, subject to the Share Trading Obligation mentioned in section 5.1.

In order to do this IEL is required to obtain prior express consent from clients; such consent is usually obtained upon on-boarding. Where such consent is not given, IEL still remains under obligation to take all sufficient steps to obtain the best possible result for the client subject to this constraint.

Giving prior consent does not preclude clients from requesting different execution arrangements at the time of placing an order or from revoking consent on a permanent basis by submitting a request to that effect to IEL.

5.3. Venue Selection

In meeting IEL's best execution obligation, and subject to sections 5.1 and 5.2, IEL may send orders to one or more of the following venue types:

- Regulated Markets⁶
- MTFs⁷
- SIs⁸

⁴ Article 23 of MiFIR

⁵ Article 25(4)(a) of *Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments ('MiFID II')*

⁶ Article 4(1)(21) of MiFID II

⁷ Article 4(1)(22) of MiFID II

⁸ Article 4(1)(20) of MiFID II

- Third country venues⁹

The list of relevant venues can be found in the appendices to this document on Instinet's website as set out in section 6 below. These will be updated as required, with any changes communicated via the website.

5.4. Execution via IEL Affiliate Entities

When executing securities listed in certain markets where IEL does not have direct membership, orders may be placed on venues via a DMA connection operated by an IEL affiliate or sent to trading systems operated by an IEL affiliate. IEL remains under an obligation to take all sufficient steps to obtain the best possible result for its clients and in accordance with the Share Trading Obligation mentioned in section 5.1.

5.5. Execution via Local Executing Brokers

There may also be instances when IEL passes an order to a third-party broker who is not an affiliate for execution. Typically this will occur when neither IEL nor any of its affiliates is a member of the domestic exchange, but may also occur in order to access alternative liquidity sources. IEL undertakes regular assessment of local executing brokers as part of its Best Execution governance arrangements as set out in section 7.

5.6. BlockMatch User Groups

When accessing BlockMatch, which is an MTF operated by IEL and regulated by the UK Financial Conduct Authority, clients may have additional liquidity options available if they are assigned to a User Group, as described in the BlockMatch rulebook¹⁰. IEL will use its best efforts to assign clients to an appropriate User Group unless instructed otherwise. Clients may opt out of assignment to a User Group. It should be noted that some clients may have separate business streams that would fall under different User Groups.

6.0. VENUE ASSESSMENT

6.1. Venues Appendices

The full list of EMEA and non-EMEA execution venues accessed by IEL is set out in the appendices to this document on Instinet's website¹¹.

As per section 4.1 above, it should be noted that different types of execution venues may be accessed during different phases of IEL's SOR.

⁹ Article 25(4)(a) of MiFID II

¹⁰ http://www.blockmatch.com/docs/BlockMatch_Rulebook.pdf

¹¹ https://www.instinet.com/sites/default/files/public/documents/IEL_OEP_Appendix_EMEA_Venues.xlsx,
https://www.instinet.com/sites/default/files/public/documents/IEL_OEP_Appendix_non-EMEA_Venues.xlsx

6.2. Assessment Process

IEL uses a data-driven approach when assessing which execution venues should be included in each phase, and how they should be prioritised. Assessments take place regularly and include data such as e.g.

- Anonymised data from our orders and executions,
- A/B testing, comparing subsets of orders with different parameters,
- Public market data, which may be held in our proprietary database.

The specific metrics used may depend upon the type of venue and the principal execution factors for each phase (see section 4 above) and includes e.g.:

- Total volumes,
- Average trade or quote sizes,
- Average fill rates,
- Prices compared to prevailing spreads,
- Price movements at specific time intervals after executions,
- Typical round-trip latency from IEL's data centers

7.0. GOVERNANCE AND OVERSIGHT

7.1. Best Execution Assessment

IEL is required to review and monitor on an ongoing basis the appropriateness of our order execution arrangements as set out in this Policy. Should such review and monitoring identify a need to make changes to our best execution arrangements including e.g. reassessment of algo behavior or venue prioritization, or should any internal or external event render such changes necessary, this Policy will be updated as required to accurately reflect those. In the event a change is deemed 'material', IEL will notify clients directly by email or similar means. Minor changes may be implemented by re-publishing the amended Policy on the website.

7.2. Supervision and Oversight

IEL has in place robust governance arrangements to ensure all sufficient steps are taken to obtain the best possible results for clients and that IEL's execution arrangements are appropriate at all times. These arrangements are overseen by the following internal bodies:

- **Best Execution Governance Committee** – A senior-level committee established to review the relevance of, and ensure compliance with, this Policy and scrutinise the performance of IEL's execution mechanisms. The Committee undertakes a Best Execution review periodically, usually on a quarterly basis, and is required to provide challenge to IEL's existing arrangements and to approve any amendments to the order handling arrangements and this Policy.
- **Best Execution Working Group** – A working group including representatives from IEL's business, technology, algo development, compliance and risk departments

that meets regularly, usually weekly, to undertake execution quality reviews, discuss order execution enhancements and propose any changes of IEL's arrangements to the Best Execution Governance Committee.

7.3. Transaction Cost Analysis

IEL must be able to demonstrate that we have executed client's orders in accordance with this Policy. Upon request from a client, IEL can produce a Transaction Cost Analysis (TCA) document detailing all executions for the requested period, including details of all execution venues used and industry-standard benchmarks. Clients with logins to IEL's Insight TCA¹² can create these reports.

8.0. CONFLICTS OF INTEREST

8.1. Conflicts of Interest Policy

IEL is required to maintain effective arrangements to identify, monitor and manage any relevant and applicable conflicts of interest that exists or may arise within our business. Details of IEL's Conflicts Management Policy can be found on the website¹³.

8.2. BlockMatch

IEL operates a pan-European MTF, BlockMatch®, which offers access to pan-European liquidity using distinct order books while also supporting equity requests for quotes – see the Block Match Rulebook¹⁴ for further details.

To appropriately manage any potential conflicts of interest between IEL's venue BlockMatch and IEL's brokerage business, BlockMatch is subject to separate governance and supervision arrangements, and also evaluated objectively alongside any other venues as part of the best execution and venue assessment process described in section 6 above.

9.0. FIDUCIARY RESPONSIBILITY

For the avoidance of doubt, IEL's commitment to provide clients with best execution does not mean that any further fiduciary responsibilities are owed over and above the specific regulatory obligations placed upon IEL. Clients remain responsible for their own investment decisions and IEL will not be responsible for any trading losses suffered as a result of those client decisions.

¹² <https://posttrade.instinet.com/>

¹³ https://www.instinet.com/sites/default/files/public/documents/IEL_Conflicts_of_Interest_Policy.pdf

¹⁴ http://www.blockmatch.com/docs/BlockMatch_Rulebook.pdf

10.0. GLOSSARY OF TERMS

A/B testing: A method of tuning optimal parameters by statistically comparing two similar versions of an algorithm or electronic system against each other.

Algo: A computer program designed to divide up client orders and place slices to trade using a defined set of instructions.

Alternative venue: An execution venue whose volume does not contribute to lit benchmarks such as VWAP; including dark pools, continuous auction venues, systematic internalisers, and RFQ venues.

Auction call phase: The order entry period prior to an auction's price determination phase.

Benchmark: A price determined by data from lit venues that may be used to assess trading performance.

Bilateral quote: A price and size quoted by one market participant to a single other participant or group of participants.

BlockMatch: A Multilateral Trading Facility operated by Instinet Europe Limited that offers participants access to pan-European liquidity using distinct matching systems.

Broker-neutral: An infrastructure platform that connects a client to multiple brokers, enabling them to place orders to trade with each broker in their own name via separate agreements.

Child slice: One of a number of smaller orders created when dividing up a client order and sending it to trade.

COM: Instinet's 'Conditional Order Manager' is an algorithm that accepts a conditional or non-binding order to trade and requests a firm order if an opportunity is found.

Consolidated best bid/offer: The quotes consisting of the highest bid and lowest offer across all major European lit order books.

Continuous auction venue: A trading venue where all executions all result from short-interval auction, including 'auction on demand' and 'periodic auction' venue types.

Continuous trading: The live trading period excluding auctions where bids and offers are arranged on separate sides of the order book and available for immediate execution.

Dark pool: An order book subject to equity pre-trade transparency waivers described in MiFIR Article 4 where orders can be placed without displaying them.

Dark volume caps: Restrictions on trading in dark pools under the reference price waiver, announced by ESMA in accordance with MiFIR Article 5.

DEA: 'Direct Electronic Access', an umbrella term under MiFID II consisting of DMA and Sponsored Access.

DMA: 'Direct Market Access', the provision of trading connections allowing a client to place orders directly onto a venue via a broker's infrastructure.

Eligible counterparty: An entity authorised or regulated to operate in the financial markets that meet the criteria as defined under FCA Handbook COBS 3.6.2 or 3.6.3.

EMS: An 'Execution Management System' is a desktop application used by traders to access trading systems and destinations.

Execution Venue: for the purpose of this Policy, this term includes Regulated Markets, MTFs and SIs and as such is not synonymous with the term Trading Venue in Article 4(1)(24) of MiFID II

Experts®: IEL's proprietary suite of execution algorithms.

Explicit cost: The fees and other distinct charges incurred by trading on a venue.

FOK: A 'Fill-or-Kill' order that will be automatically cancelled if the whole size cannot be executed immediately.

Information leakage: The possibility that other participants may gain an insight into imminent orders or trading intentions due to signals from visible orders and executions.

IOC: An 'Immediate-or-Cancel' order where any part of the order that cannot be executed immediately will be automatically cancelled.

IOI: An 'Indication of Interest' is a non-binding message to register an interest to trade in a security.

Liquidity: A broad term to describe the availability of shares to trade on a venue or more specifically the volume of shares available.

LIS waiver: The 'Large-in-Scale' waiver provided by MiFIR Article 4 section 1c, which allows orders over a specified size to be not displayed and not subject to the volume cap mechanism described in MiFIR Article 5.

Lit venue: A regulated market, MTF, or other trading venue where orders are visible and publicly displayed.

Market of reference: The market where a security is primarily listed or the most relevant market in terms of liquidity as determined by ESMA.

Market impact: The price move following an order or execution that may result in further same-side executions achieving a worse price.

Marketable order: An order either at market without a limit, or with a limit that allows for immediate full or partial execution on regulated markets and MTFs.

MTF: A venue defined as a 'Multilateral Trading Facility' under MiFID II rules and an alternative to a regulated market.

Nighthawk: One of the algos in IEL's Experts suite, that intelligently aggregates dark and alternative low-impact liquidity sources.

Order book: The list of live orders or quotes on a trading venue, organised into bids (buys) and offers (sells).

Parent order: An order placed by a client that is then divided into various smaller orders as per the client's instructions or IEL's discretion.

Professional client: An entity authorised or regulated to operate in the financial markets that meet the criteria as defined under FCA Handbook COBS 3.5.2 or 3.5.3.

Quote: The possible terms of an execution sent to a particular user or group of users, which may be in response to a specific request.

Reference price waiver: The waiver provided by MiFIR Article 4 section 1a, which allows orders referencing the mid-point of the primary-listing market or most relevant market in terms of liquidity as determined by ESMA to be not displayed, subject to the volume cap mechanism described in MiFIR Article 5.

Regulated Market: A venue defined as a 'Regulated Market' under MiFID II rules with enhanced governance requirements compared to other classes of venue.

RFQ: 'Request for Quote', a non-binding message sent from one user to another in order to solicit a quote.

SI: A venue defined as a 'Systematic Internaliser' under MiFID II rules where visible quotes are provided by a capital provider or market maker on a bilateral basis.

Side: The designation of an order to trade as a buy or sell.

SOR: Instinet's 'Smart Order Router' is an algorithm that places individual orders to trade on one or more trading venues in accordance with pre-defined rules.

Sponsored Access: Use of trading connections to a venue under a broker's membership ID via infrastructure not owned by that broker.

Stop order: An instruction to execute an order only when the price moves beyond a certain level.

TCA: 'Transaction Cost Analysis', the assessment of the quality of trades based on defined benchmarks and methods of breaking down data.

TIF: 'Time in Force', the time validity of an order before it expires or is cancelled.

Venue: Unless specified, 'venues' may include Regulated Markets, MTFs, Systematic Internalisers, and Third Country Venues.

VWAP: 'Volume Weighted Average Price', a common benchmark used to assess performance which takes the volume weighted average of all trades over a defined time-period. Also can refer to the instruction to target this benchmark, and one of the Experts algorithms designed to target this benchmark

WORK: One of the algos in IEL's Experts® suite that seeks liquidity and dynamically adjusts tactics to market conditions.

©2019, Instinet Incorporated and its subsidiaries. All rights reserved. INSTINET is a registered trademark in the United States and other countries throughout the world. Approved for distribution: in Australia by Instinet Australia Pty Limited (ACN: 131 253 686 AFSL No: 327834), which is regulated by the Australian Securities & Investments Commission; in Canada by Instinet Canada Limited, members IIROC/CIPF; in Europe by Instinet Europe Limited, which is authorized and regulated by the Financial Conduct Authority; in Hong Kong by Instinet Pacific Limited, which is authorized and regulated by the Securities and Futures Commission of Hong Kong; in Singapore by Instinet Singapore Services Private Limited, which is regulated by the Monetary Authority of Singapore, a trading member of The Singapore Exchange Securities Trading Private Limited and a clearing member of The Central Depository (Pte) Limited; and in the US by Instinet, LLC, member SIPC. This material is made available for informational purposes only and does not constitute an offer, solicitation, or recommendation with respect to the purchase or sale of any security, product or service. This material does not take into account the particular investment objectives, financial situation or needs of individual clients. No representation or warranty, express or implied, is or will be made and no responsibility or liability is or will be accepted by INSTINET or by any of their respective officers, employees or agents in relation to the accuracy or completeness of this material or any other written or oral information in respect thereof made available to you or any agent and any such liability is expressly disclaimed.