



Linear Investments Limited

Order Execution/Best Execution Policy

Introduction

This is the order execution/best execution policy (the “Policy”) of Linear Investments Limited (“Linear”), which is authorised and regulated by the Financial Conduct Authority (“FCA”).

This Policy is intended to provide clients with information relating to the execution arrangements Linear has in place to comply with its obligations under the Markets in Financial Instruments Directive 2014/65/EU (“MiFID II”) and certain other aspects relating to the way in which Linear handles client orders. In particular, it sets out how Linear will provide clients with best execution, where relevant. MiFID II specifically requires, Linear to take all sufficient steps to provide our clients with the best possible result when acting as broker in the execution or reception and transmission of orders in financial instruments. For the purposes of this, Linear will undertake its business as a broker in one of two ways:

1. Acting as an Agency Broker – in this scenario, Linear will act as agent to its clients. When acting as the agent, Linear must look after its clients' best interests, which involves attempting to fill client orders at the best price and in the fastest way possible.
2. Acting as a Matched Principal Broker (for certain OTC fixed income business) – Linear will act as a facilitating counterparty to both sides of a matching trade, interposing itself between the buyer and seller to the transaction in such a way that it is never exposed to market risk throughout the execution of the transaction, with both sides being executed simultaneously.

The Policy explains how Linear will achieve the best possible result for its clients and it also details the information that must be provided to clients regarding the execution criteria and factors that Linear will need to consider when trying to obtain the best possible results for those clients. It also specifies when the obligation to provide best execution might not apply.

The Policy applies to business with Professional clients, and in relation to “financial instruments” (as those terms are defined under MiFID II). Linear’s intention is, so far as possible, to exercise consistent standards and operate the same processes across all markets, clients and financial instruments in which it operates.

What is Best Execution

Best execution is the overarching obligation for Linear to take all sufficient steps, when executing orders on behalf of clients, to obtain the best possible result for their clients. When doing so it will take into account the following “**Execution Factors**”:

- **Price:** this is the price a financial instrument is or may be executed at (excluding External Costs and Linear’s Fees and Charges – which are defined below);
- **Cost:** any ‘External Costs’ relevant to the execution (i.e. any external costs charged by third parties which are related to the execution of the transaction and which are directly passed on to you, such as, execution venue fees, clearing and settlement fees and any other fees paid to third parties);
- **Speed:** the potential time it might take to execute a transaction;
- **Likelihood of execution and settlement:** the likelihood that we will be able to complete a client transaction;



- **Size:** this is the size of the transaction and we may take this into account as to how this affects the price of execution; and
- **Any other relevant considerations** such as characteristics of execution venues or market impact.

When executing client orders, Linear shall take into account the following criteria for determining the relative importance of the aforementioned Execution Factors:

- a) the characteristics of the client;
- b) the characteristics of the client order;
- c) the characteristics of financial instruments that are the subject of that order;
- d) the characteristics of the execution venues to which that order can be directed

When executing an order on behalf of a Client, Linear may charge an additional fee, commission or mark-up for providing the execution. In determining whether or not Linear have provided Best Execution to you on a transaction we will not consider any fees or charges which are charged by us for executing the transaction (e.g. commission or mark-up). Those fees and charges will not be considered to form part of the price for Best Execution purposes. Any fee, commission, or mark-up charged will however:

1. be disclosed to you ahead of the placement of the Order, either on a transaction by transaction basis or by prior general disclosure of fee levels for categories of Orders for the Client; and
2. not be set in such a way that it inherently compromises the underlying process of obtaining Best Execution.

Linear will not receive any incentives (remuneration, discount or non-monetary benefit) for routing client orders to a particular venue if they will result in Linear failing to meet its best outcome obligations or result in contravening requirements on conflicts of interest or inducements.

Linear will also not enter into any Payment for Order Flow arrangements in the United Kingdom.

Professional Clients

If you are a Professional Client, in general we would expect price to be the most significant factor in the execution of your transactions unless you have instructed us otherwise.

However, naturally financial markets are inherently unpredictable and involve multiple market participants which can impact the way in which markets function from time to time. Prices can vary significantly and quickly and/or may differ between execution venues. Where markets are volatile or liquidity is limited we may not be able to execute orders as we might anticipate. Accordingly, in such circumstance we may determine that one or more of the other Execution Factors are of more importance for clients than price, such as likelihood of execution. Linear will determine, at its discretion, how to execute an order, but in all cases will do so in good faith and in the client's best interests, as we would in ordinary market conditions.

When does Best Execution NOT Apply

1. In accordance with Article 30 of MiFID II, where a client is classified as an Eligible Counterparty, they will not be entitled to Best Execution under the rules of the FCA or equivalent EU/EEA rules.
2. Where clients choose to make use of Linear's Direct Electronic Access service, Linear will not have discretion over how to execute the transaction and therefore clients will not be relying on Linear for the purposes of Best Execution. For clarity, Direct Electronic Access refers to situations where clients choose to have full control over their transactions and use Linear's infrastructure to facilitate the execution of those transactions.



Specific Instructions

Where Linear owe you a duty of Best Execution and you provide us with specific instructions in relation to the entire transaction, or any particular aspect of the transaction, which we accept, then we will execute the transaction in accordance with those instructions and in doing so we will have satisfied our Best Execution obligations with respect to the relevant aspects of the transaction. Where your instructions relate to only part of the transaction, the remaining element of the transaction not covered by your specific instructions will remain subject to Best Execution requirements.

Please note that if you provide us with specific instructions this may change the way in which we execute your transactions and may prevent us from taking the steps that we have designed and implemented in the Policy to obtain the best possible result for the execution of in scope transactions.

Execution Venues and Third-Party Brokers

In meeting its obligation to take all sufficient steps to obtain on a consistent basis the best possible result for the execution of your order, Linear may use one or more of the following venue types (collectively “**Execution Venues**”) when executing an order on your behalf:

- Regulated Market
- Multilateral Trading Facility
- Organised Trading Facility
- Systematic Internaliser
- Market Maker
- Other Liquidity Provider

Where a transaction is subject to Best Execution, the selection of an execution venue will be relevant where the execution of the transaction is dependent on our ability to access liquidity (e.g. in the case of an order where we execute transactions as agent). Where the selection of an execution venue is relevant, Linear will choose the execution venue (or venues) that we consider to be the most appropriate to meet our obligation to obtain the best possible results for our clients on a consistent basis.

Where Linear owe you Best Execution on a transaction we may use third party brokers to provide access to markets where we otherwise may not be able to execute or where we believe it to be in your best interests to do so e.g. to source liquidity. Where we owe Best Execution on a transaction and that transaction is passed to a third party broker that has discretion over the execution of any aspect of such transaction (either in whole or in part), we will be relying on that third party broker to execute the transaction in a way which enables us to meet our Best Execution obligation. Linear will carry out due diligence on such third party to ensure that we are satisfied that they are enabling us to comply with our Best Execution obligations. Linear considers a number of factors when selecting other brokers or dealers to execute its orders. These factors include:

- accessibility to the relevant market;
- experience in the relevant market;
- settlement performance; and
- quality of order execution services

Aggregation and priority of client orders

Linear provides for the prompt, fair and expeditious execution of orders, relative to factors such as time and size and to other orders. This is designed to allow for the execution of otherwise comparable orders in accordance with the time of their reception by Linear. When handling orders, Linear’s objective is to:



1. ensure that executed orders are promptly and accurately recorded and allocated; and
2. carry out otherwise comparable orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the client require otherwise.

Orders will not be treated as comparable if they are received by different media and it is not practicable for them to be treated sequentially.

In circumstances where Linear aggregates client orders, it will do so only if we consider that:

1. it is unlikely that the aggregation of orders will work overall to the disadvantage of any client whose order is to be aggregated; or
2. it has been disclosed to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order; and
3. it is in compliance with our MiFID II Order Execution/Best Execution policy.

Where Linear aggregates orders and only partial fills are achieved, we will allocate such fills according to the time by which the orders were received.

Publication of the top five execution venues

In accordance with Commission Delegated Regulation (EU) 2017/576, Linear is required to summarise and make public on an annual basis, for each class of financial instruments, the top five execution venues or third party brokers, in terms of trading volumes, where we have executed client orders in the preceding year and information on the quality of execution obtained on these venues. This information will be published on our website.

Request to demonstrate best execution

Upon reasonable request from a client, and provided that the order was subject to the requirements of the Policy, Linear will demonstrate to the client that it has executed its order in accordance with this Policy. In the absence of evidence to the contrary, the records of Linear will constitute conclusive evidence of the actions taken by Linear to obtain Best Execution on behalf of its clients

Monitoring and Review

Linear will monitor the effectiveness of its Order Execution/Best Execution arrangements as documented in this Policy in order to identify and, where appropriate, incorporate any required amendments to this Policy.

Linear will assess, on a regular basis, whether the execution venues included in this Policy provide for the best possible result for its clients or whether changes need to be made to its execution arrangements. Such assessments will include, but will not be limited to:

- reviewing the quality of execution reports provided by those execution venues on which it places a significant reliance against other execution venues in the market; and
- when executing orders in OTC products, checking the fairness of prices proposed to clients by gathering market data used in the estimation of the price of such products and, where possible, by comparing with similar products.

Linear will review its order execution arrangements and this Policy at least annually or whenever a material change occurs that affects its ability to continue to obtain the best possible result for the execution of client orders on a consistent basis. Linear will notify you of any material changes to its order execution arrangements or this Policy as described above by posting the information on its website.



Prior Consents

Linear are required to obtain your prior consent to our MiFID II Order Execution/Best Execution policy. You will be deemed to provide such consent when you place an order with us on or after 3 January 2018.



Execution Venues

Please find below a non-exhaustive list of the Execution Venues which Linear has assessed as enabling it to obtain Best Execution on a consistent basis. Linear will review and update the list from time to time in accordance with our MiFID II Order Execution/Best Execution Policy. We may use other execution venues and add or remove any execution venue from this list where appropriate.

Equities

American Stock Exchange
Australian Securities Exchange
Bank of America Merrill Lynch
BATS Europe
BATS US
Bolsa De Madrid
Borsa Italiana
CHI-X Australia
Chi-X Canada
Chi-X Europe
Chi-X Japan
Citadel Securities
Deutsche Börse Group
EURONEXT Brussels
EURONEXT Lisbon
Euronext Paris
Helsinki Stock Exchange
Hong Kong Stock Exchange
IEX
Indonesian Stock Exchange
Irish Stock Exchange
Istanbul Stock Exchange
ITG Posit
JASDAQ Exchange
Johannesburg Stock Exchange
London Stock Exchange
NASDAQ
NASDAQ Copenhagen
NASDAQ OMX Stockholm
NYSE
NYSE ARCA
Oslo Bors
Prague Stock Exchange
PURE Trading
Singapore Exchange
Sigma X MTF
SIX Swiss Exchange
Taiwan Stock Exchange

Tel Aviv Stock Exchange
Thailand Stock Exchange
Tokyo Stock Exchange
Turquoise
UBS MTF
VIRT-X
Wiener Boerse AG

Fixed Income

Boerse Dusseldorf
Boerse Stuttgart
Deutsche Boerse AG
SIX Swiss Exchange
Bloomberg MTF

Derivatives

Chicago Mercantile Exchange
Chicago Board of Trade
Commodities Exchange
EUREX
EURONEXT Paris
EURONEXT Brussels
EURONEXT Lisbon
EURONEXT
Hong Kong Futures Exchange
ICE Financial
ICE UK
ICE US
Italian Derivatives Market
MEFF Financial Derivatives
Montreal Exchange (Bourse De Montreal)
NASDAQ OMX Stockholm
NASDAQ OMX Copenhagen
New York Mercantile Exchange
OPRA
Osaka Exchange
Singapore Exchange Derivatives Trading
Sydney Futures Exchange



Financial Instruments Annex

Cash Equities

When executing transactions where Best Execution applies, Linear will take into account the Execution Factors. While these are provided in order of relative priority below, a variety of criteria will be taken into account in assessing the prioritisation of Execution Factors, including the appropriate consideration on an individual transaction basis.

Criteria for consideration include the characteristics of each individual transaction such as client preferences, market conditions, when the order is received and the size of the order. Generally, the most important Execution Factors for clients will be the price at which the relevant financial instrument is executed at and the associated costs. However, in more illiquid markets, the primary Execution Factors may vary. As such, the non-price factors of likelihood and speed of execution and settlement as well as size or nature of the order (incl. instrument liquidity) may be given precedence over the immediate apparent price of a financial instrument in so far as it will, in Linear's opinion, deliver a better overall result for the client.

When handling a Cash Equity order, Linear will generally prioritize Best Execution Factors as follows:

- 1) Price
- 2) Costs
- 3) Speed
- 4) Likelihood of execution and settlement
- 5) Size
- 6) Other considerations

Linear will determine how to handle client orders based on the prioritisation of Execution Factors and taking into account any particular criteria or instructions provided.

Linear's execution strategy may result in client orders being routed to one or more Execution Venues immediately or being worked over some period of time. The execution strategy employed will consider any information that the client provides, together with Linear's knowledge of the relevant instrument and the market in which the client is seeking to execute.

Once an order has been received it may be split for execution in accordance with any accompanying specific instructions. As part of assessing how to split a client order, this may be done manually, via an algorithm or by a combination of the two.

Fixed Income

For the purposes of Fixed Income transactions Linear can deal with clients either on an Agency Broker basis or a Matched Principal Broker basis (these terms have been further detailed in the main Policy) depending on the agreed Terms.

When executing transactions where Best Execution applies, Linear will take into account the Execution Factors. While these are provided in order of relative priority below, a variety of criteria will be taken into account when assessing the prioritisation of Execution Factors, including the appropriate consideration on an individual transaction basis. As previously illustrated, the criteria for



consideration include the characteristics of each individual transaction such as client preferences, market conditions, when the order is received and the size of the order.

Generally, the most important execution factor for clients will be the price at which the relevant Financial Instrument is executed at. However, in more illiquid markets, the primary Execution Factors may vary. As such, the non-price factors of likelihood and speed of execution and settlement as well as size or nature of the order (incl. instrument liquidity) may be as important as the price (and costs) factor. For the purposes of Fixed Income transactions Linear generally prioritises the Execution Factors as follows:

For orders in a liquid instrument,

- 1) Price
- 2) Speed
- 3) Size
- 4) Likelihood of execution
- 5) Costs
- 6) Other considerations

For orders in an illiquid instrument,

- 1) Likelihood of execution
- 2) Price
- 3) Size
- 4) Speed
- 5) Costs
- 6) Other considerations

Linear will determine the necessary strategy to best handle client orders based on the prioritisation of Execution Factors above and taking into account any particular criteria or instructions provided.

Derivatives

For the purposes of Derivative transactions, Linear will deal with clients on an Agency basis in both Exchange Traded and OTC instruments.

1. Exchange Traded

When executing transactions where Best Execution applies, Linear will take into account the Execution Factors. While these are provided in order of relative priority below, a variety of criteria will be taken into account in assessing the prioritisation of Execution Factors, including the appropriate consideration on an individual transaction basis.

Criteria for consideration include the characteristics of each transaction such as client preferences, market conditions, when the transaction is received and the size of the trade. Generally, the most important execution factor for clients will be the price at which the relevant Financial Instrument is executed at. However, in more illiquid markets, the primary Execution Factors may vary. As such, the non-price factors likelihood and speed of execution and settlement as well as size or nature of the order (incl. instrument liquidity) may be as important as the factor price (and costs).

Where an Exchange Traded Derivative order is subject to Best Execution, Linear generally prioritises Execution Factors as follows:

For Listed Derivatives in liquid markets:

- 1) Price
- 2) Size
- 3) Speed
- 4) Costs
- 5) Likelihood of execution
- 6) Other considerations

For Listed Derivatives in illiquid markets:

- 1) Likelihood of execution
- 2) Price
- 3) Costs
- 4) Size
- 5) Speed
- 6) Other considerations



Linear will determine the necessary strategy to best handle client orders based on the prioritisation of Execution Factors above and taking into account any particular criteria or instructions provided.

2. OTC Derivatives

When executing transactions where Best Execution applies, Linear will take into account the Execution Factors. While these are provided in order of relative priority below, a variety of criteria will be taken into account when assessing the prioritization of Execution Factors, including the appropriate consideration on an individual transaction basis.

Criteria for consideration include the characteristics of each individual transaction such as client preferences, market conditions, when the order is received and the size of the order. Generally, an important execution factor for clients will be the price at which the relevant financial instrument is executed at. As part of the price determination process for OTC Derivative transactions, Linear will also take into consideration a number of other Execution Factors such as liquidity of the underlying, maturity of the transaction, counterparty credit risk and platform/technology dependencies. As such, the non-price factors, such as likelihood and speed of execution and settlement as well as size or nature of the order (incl. instrument liquidity) may be as important as the price and costs factors.

Where an OTC Derivative order is subject to Best Execution, Linear generally prioritises, Execution Factors as follows:

For vanilla Equity OTC options:

- 1) Price
- 2) Size
- 3) Costs
- 4) Speed
- 5) Likelihood of execution
- 6) Other considerations

For complex Equity OTC options:

- 1) Likelihood of execution
- 2) Price
- 3) Size
- 4) Speed
- 5) Costs
- 6) Other considerations

For Fixed Income OTC derivatives:

- 1) Price
- 2) Size
- 3) Costs
- 4) Speed
- 5) Likelihood of execution
- 6) Other considerations

For Commodity OTC derivatives:

- 1) Likelihood of execution
- 2) Price
- 3) Size
- 4) Speed
- 5) Costs
- 6) Other considerations