



Cuboid Logic Ltd

Best Execution Policy

Contents

Contents.....	2
Executive Summary	3
Background	3
All sufficient steps	4
Price fairness and OTC products	4
Single and multi-venue pricing	5
RTS27 and 28 reports in the public domain	5
Order execution / reception and transmission	5
Consolidated summary RTS 28 information.....	6
Group companies under RTS 28	6
Eligible counterparty transactions under RTS 27	6
Acronyms and definitions used	7

Executive Summary

This document sets out Cuboid Logic Ltd's ("Cuboid") best execution policy, and provides clarity on the application of the MiFID II and MiFIR requirements.

This document is intended to be continually edited and updated as and when new requirements are identified.

Cuboid takes all sufficient steps to obtain, when executing orders, the best possible results for its clients, taking into account the execution factors.

The execution factors are the price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order.

Cuboid is committed to treating its Clients fairly and acting in the best interests of its Clients when executing orders.

Client Orders may be executed exclusively via a bilateral Trade with Cuboid through the Cuboid Platform, not through a Trade on any exchange, multilateral trading system or other external execution venue.

Cuboid's Platform is fully automated for pricing and Order execution. When Clients place an Order to enter or close a Trade through the Platform, the Client gives Cuboid's Platform an instruction to place an Order on the Client's Account, based on the Prices generated by Cuboid's Platform and other related terms for that Order which the Client is free to accept or reject.

The Prices of Cuboid Products are generated electronically by the Cuboid Platform. As such, the Prices at which Clients open and close Trades may be different to current exchange or market prices, or another financial product provider's price, for the relevant underlying asset(s).

Background

The Committee of European Securities Regulators (CESR) has issued a Question and Answer paper on best execution under MiFID. This paper also incorporates the European Commission's response to CESR's questions regarding the scope of the best execution obligations under MiFID. The paper can be found at: http://www.esma.europa.eu/system/files/07_320.pdf and https://www.esma.europa.eu/sites/default/files/library/esma35-43-349_mifid_ii_qa_on_investor_protection_topics.pdf

All sufficient steps

Whereas MiFID I required firms to take all reasonable steps, MiFID II requires firms 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.

Cuboid ensures that the intended outcomes can be successfully achieved on an on-going basis by using the same data feeds and monitoring feed quality at all times.

Cuboid monitors the execution quality and the quality and appropriateness of its execution arrangements and policies on an ex-ante and ex-post basis to identify circumstances under which changes may be appropriate.

- Ex-ante means reviewing the policy design and review process is appropriate and takes into account new services or products
- Ex-post means to check whether Cuboid has correctly applied its execution policy and if client instructions and preferences are effectively passed along the entire execution chain

Cuboid performs random sampling and exception reporting, and has channels in place to ensure correct escalation to senior management, fed back into execution policies.

Cuboid takes remedial actions if any deficiencies are detected.

Price fairness and OTC products

Cuboid recognizes that MiFID II strengthens the existing best execution standard in relation to OTC10 products.

Cuboid gathers market data used in the estimation of the price of its products and, where possible, compares with similar or comparable products, including but not limited to fulfilling the requirements of Article 64 of the MiFID II Delegated Regulation to check the fairness of the price proposed to the client when executing orders or taking decisions to deal in OTC products, including bespoke products.

Cuboid, as a matter of practice, routinely considers external market data and externally verifiable reference prices (where available), when pricing or checking the price of its products (including OTC and bespoke instruments), and in fulfilling its best execution obligations. Such checks are undertaken on a systematic basis and embedded in Cuboid's policies and practices.

Cuboid scrutinizes the methodologies and inputs underpinning any valuation processes and pricing models used, and performs the necessary checks on the fairness of the price and ensure that it is reflected in its arrangements. This is an ex-ante assessment by Cuboid, prior to the execution of an order to justify pricing decisions, and have systems in place to ensure that any judgements or decisions are taken with the clients' best interests in mind, unbiased by conflicts of interest.

Single and multi-venue pricing

Cuboid selects one of execution venues for each class of financial instruments, consistently get the best results for its clients.

To comply with the requirement under Article 24(1) of MiFID II to act in the best interests of its clients, Cuboid regularly assesses the market landscape to determine whether or not there are alternative venues.

The metrics available under RTS 27/11 provide information on trading conditions and quality of execution across different execution venues through a series of metrics such as volume, frequency of trading, resilience or execution price related information. The MIFID II Delegated Regulation sets out specific requirements relating to the content of the execution policy.

Cuboid ordinarily uses STP Liquidity Ltd and Cuboid Fintech Ltd as its execution venues, and constantly seeks to add execution venues to avoid over-reliance on few venues.

The bespoke nature of Cuboid's services require specific analysis to determine whether or not other suitable venues exist.

RTS27 and 28 reports in the public domain

Cuboid's first reporting under RTS 27 should cover a reporting period that is representative of the first quarter of 2018 and should be published by 30 June 2018, and then on or before the 30th of April of each year to ensure investors have up-to-date information. The intent is to provide investors information to diminish asymmetries and help investors select the right product and provider.

Cuboid's first reporting under RTS 28 will cover the full calendar year to 30th April 2018. Cuboid has already implemented most of the necessary arrangements to conduct RTS 28 analysis, such as a summary of the outcomes achieved when executing orders for its top five venues.

Cuboid will keep its RTS 27 and 28 reports in the public domain for a minimum of two years, to provide the public and firms with relevant data to measure the quality of its execution.

RTS 28 refers to the regulatory technical standards under Article 27(10)(b) of MiFID II adopted by the EC on 08/07/2016, Commission Delegated Regulation (EU) 2017/576, and Article 65(5) of the MiFID II Delegated Regulation.

Order execution / reception and transmission

For a given class of financial instruments, there may be many instances where Cuboid provides order execution, and also reception and transmission of orders, in which case Cuboid will provide two separate reports in relation to these services.

Cuboid will provide aggregated venue-level cost as set out in Recital 4 of RTS 27 to avoid inappropriate comparison between execution venues and to ensure the relevance of collected data.

Consolidated summary RTS 28 information

Cuboid will provide a summary of its analysis and conclusions drawn from its detailed monitoring of execution quality in relation to each class of financial instrument.

The aim is to provide clients with meaningful information to effectively assess and scrutinize the execution quality achieved by Cuboid during the year, enabling clients to evaluate Cuboid's execution practices and compliance with its execution policy.

Group companies under RTS 28

As set out in Article 65(6) of the Delegated Regulation, Cuboid will provide the annual RTS 28 report on the top five entities chosen for execution at the level of the individual firm and not aggregated or consolidated at the group level.

For clarity, this will adhere to Recital 15 of RTS 28.

Eligible counterparty transactions under RTS 27

In accordance with Article 27(3) of MiFID II, Cuboid will publish quarterly reports on execution quality containing information on transactions executed on that venue, irrespective of the category of clients to which those transactions relate.

If Cuboid operates an Own Trading Facility (OTF), then Cuboid will set out its firm-level execution policy with various execution venues, including its own OTF. Cuboid will also explain the circumstances in which one execution venue would prevail over the others.

Such documentation will set out in detail, the area(s) in which Cuboid as an OTF operator intends to exercise discretion and the basis on which such discretion will be exercised (Article 20(6) of MiFID II).

Acronyms and definitions used

AIF	Alternative Investment Funds
ESMA	The European Markets and Securities Authority
ITS	Implementing Technical Standards
KID	Key Information Document
MiFID I	Markets in Financial Instruments Directive – Directive 2004/39/EC of the European Parliament and of the Council
MiFID II	Markets in Financial Instruments Directive (recast) – Directive 2014/65/EU of the European Parliament and of the Council
MiFIR	Markets in Financial Instruments Regulation – Regulation 600/2014 of the European Parliament and of the Council
MTF	Multilateral Trading Facility
OTC	Over The Counter
OTF	Organised Trading Facility
Q&A	Question and Answer
PRIIPs	Package Retail and Insurance-based Products
RPA	Research Payment Account
RTS	Regulatory Technical Standards
UCITS	Undertakings for Collective Investment in Transferable Securities