



Evaluation of the quality obtained from the execution venues used by Alfa Capital Markets Ltd in respect of Debt Instruments (Bonds & Money Market instruments)

This document, RTS 28 report, is a summary of the analysis and conclusions that Alfa Capital Markets Ltd (hereinafter “ACM” or “the Company”) has drawn from its detailed monitoring of the execution quality obtained on the Execution Venues where it has executed all clients’ orders in the previous year, in terms of trading volumes, in respect of bonds. This report should be read in conjunction with the Company’s “Order Handling and Best Execution Policy” and the “Best Execution Analysis” tables that are available at our website.

In compliance with the requirements of Article 3 (3) of the Markets in Financial Instruments Directive 2014/65/EU (“MIFID II”) the Company takes “all sufficient steps” to obtain the best possible result for its clients when executing their orders. ACM undertakes regular assessments of its Execution Venues and brokers as well as the execution quality provided in order to determine whether Existing Venues and brokers used by the Company provide the best possible result for Clients. The assessment takes into consideration the type of financial instrument and relative importance of execution factors associated to the financial instrument involved.

In order to achieve the best possible result on its clients the Company took into consideration the below execution factors and criteria:

1. Availability of best pricing for a specific Financial Instrument and liquidity of the Execution Venue;
2. Cost of clearing and settlement;
3. Speed and likelihood of execution (e.g. fill rates)- Execution Venue that provides the fastest execution reasonably possible;
4. Size- an Execution Venue that provides, or is likely to provide, consistent trading opportunities in terms of increased volumes at the same price and time;
5. Reliability of the Execution Venue in terms of reputation and good standing (e.g. creditworthiness, sanctions from regulators, etc.);
6. Quality of execution and service, both historical and current, based on the review performed;
7. Transparency of price formation process (pre-trade);
8. Ability to provide transaction cost analysis;
9. Continuity of trading;
10. Technological infrastructure and capabilities of the Execution Venue;
11. Circuit breakers;
12. Quality of any related clearing and settlement facilities;
13. Responsiveness to any request/complaints and willingness to correct such errors;
14. Any other relevant factor.

The Company prioritizes the execution factors typically taking into account the following criteria in order to provide Clients with the best result for their orders:

- The characteristics of the Client, including the categorisation of the Client as a Retail or Professional Client;



- The characteristics of the Client order, including where the order involves a securities financing transaction;
- The characteristics of the financial instruments that are the subject of the order for example, liquidity, transparency, trading patterns associated with the Financial Instrument, etc.;
- The characteristics of the execution venues or entities to which that order can be directed, for example, in terms of price, speed, experience, etc.;
- Any other circumstance that ACM may deem to be relevant for the execution or entities to which that order can be directed, for example, in terms of price, speed, experience, etc.

The Company strives to give all clients best execution, irrespective of their categorization. For clients classified as Retail client the best possible result was determined in terms of “total consideration”. Total consideration represents the price and the costs relating to execution. In certain cases, the Company prioritized other factors (such as, speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs) over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the Retail Client. For clients classified as Professional Clients, total consideration may not be an appropriate guide for execution in all cases, for example, speed and likelihood of execution may take precedence during highly volatile market or less illiquid instruments.

ACM reviews its list of execution venues at least annually to ensure it is able, on a consistent basis to obtain the best possible results when executing orders on behalf of clients. This review and monitoring undertaken ensures that we achieved the best possible outcome for the client and are comfortable with the venues that we are using to achieve best execution. The continuous monitoring did not reveal any abnormalities. There were no changes, removals or additions to execution venues during 2020.

The Company ensures that the execution venues have at least all of the following:

- transparent criteria for determining financial instruments that can be traded under their systems;
- non-discriminatory rules for determining access to their systems;
- rules to ensure fair and orderly trading on data systems on their systems;
- rules to facilitate efficient settlement of transactions conclude through their systems.

In addition, the Company regularly assesses the market landscape in order to improve quality of execution, by looking at data issued by execution venues under RTS27¹ and by other brokers under RTS28.

For Fixed Income instruments, most trading is conducted on a request for quote basis (RFQ) by using Bloomberg Trading Facility B.V- MTF, TradeWeb Europe MTF, and MTS S.p.A- MTF. The Company directs its RFQ to big counterparties such as Credit Suisse Securities (Europe) Limited, GFI Securities Limited, HSBC Bank PLC.

¹ RTS 27 refers to the regulatory technical standards under Article 27(10)(a) of MiFID II adopted by the EC on 08/06/2016, Commission Delegated Regulation (EU) 2017/575



The Company does not have any specific arrangements with any execution venue or broker regarding payments made or received, discounts or non-monetary benefits received. The Company has no close links, conflicts of interest, and common ownerships with any execution venue.