

**Alfa Capital Markets**

# Order Handling and Best Execution Policy

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## 1. INTRODUCTION

The Markets in Financial Instruments Directive 2014/65/EU (“MiFID II”), the Markets in Financial Instruments Regulation (EU) No 600/2014 (“MiFIR”), and other relevant regulations and guidelines issued by the European Securities and Markets Authority (“ESMA”) and/or CySEC (hereinafter collectively referred to as the “**MiFID II framework**”) impose a general obligation on Alfa Capital Markets Ltd (“ACM” or “the Company”) when providing services to Clients, to act honestly, fairly and professionally in accordance with the best interests of its Clients. More specifically, MiFID II framework, requires ACM to establish and implement a policy to allow it to take all sufficient steps to provide the best possible result for Clients when providing the services of executing orders on behalf of Clients; portfolio management, and the service of reception and transmission of orders.

In addition, ACM is required to implement procedures and arrangements which provide for the prompt, fair, and expeditious execution of Client orders, relative to other Client orders or the trading interests of ACM.

In this respect ACM has established this Order Handling and Best Execution Policy (the “Policy”) as well as a robust framework comprising of, amongst others, procedures, monitoring processes, and reporting channels to achieve the best possible result for its Clients on a consistent basis.

## 2. PURPOSE OF THIS POLICY

The purpose of this Policy is to describe the factors and processes that ACM will adopt to meet its order execution and transmission obligations, and in particular how it will identify and utilise execution factors and criteria considering their relative importance when executing, or when receiving and transmitting Client orders as well as when carrying out portfolio management services, in relation to each class of Financial Instrument within the scope of MiFID II framework.

In addition, the Policy sets out the monitoring and review processes established in order to review the quality and appropriateness of its execution arrangements and policies to identify circumstances under which changes might be appropriate. The Policy also provides the general order handling process followed by ACM.

This Policy is not intended to cover all eventualities and all circumstances that may be relevant to a particular order placed with ACM. It is designed to serve as appropriate disclosure of the principles underpinning the order execution and transmission process that ACM will follow for orders which a Client instructs it to execute or to pass to other entities for execution.

## 3. ABBREVIATIONS

<b>Term</b>	<b>Abbreviations</b>
CFD	Contract for Difference
CDS	Credit Default Swap
CySEC	Cyprus Securities and Exchange Commission
DEA	Direct Electronic Access
ESMA	European Securities and Markets Authority
EEA	European Economic Area
MTF	Multilateral Trading Facility
MIFID	Markets in Financial Instruments Directive
MIFIR	Markets in Financial Instruments Regulation
OTF	Organised Trading Facility
RM	Regulated Market
SFT	Securities Financing Transaction

#### 4. DEFINITIONS

<b>Term</b>	<b>Definition</b>
Bid-ask spread	The bid-ask spread is the difference between the price at which a market maker is willing to buy an asset and the price it is willing to sell at.
Client	Client means any natural or legal person to whom an investment firm provides investment or ancillary services.
Credit Default Swap (“CDS”)	A credit default swap is a contract between a buyer and a seller of protection to pay out in the case that another party (not involved in the swap), defaults on its obligations. CDS can be described as a sort of insurance where the purchaser of the CDS owns the debt that the instrument protects; however, it is not necessary for the purchaser to own the underlying debt that is insured.
Dealing on own account	Dealing on own account means trading against proprietary capital resulting in the conclusion of transactions in one or more financial instruments.
Depository receipts	Depository receipts means those securities which are negotiable on the capital market and which represent ownership of the securities of a non-domiciled issuer while being able to be admitted to trading on a regulated market and traded independently of the securities of the non-domiciled issuer.
Direct Electronic Access (“DEA”)	Direct Electronic Access means an arrangement where a member or participant or client of a trading venue permits a person to use its trading code so the person can electronically transmit orders relating to a financial instrument directly to the trading venue and includes arrangements which involve the use by a person of the infrastructure of the member or participant or client, or any connecting system provided by the member or participant or client, to transmit the orders (direct market access) and arrangements where such an infrastructure is not used by a person (sponsored access);
Execution of orders on behalf of Clients	Execution of orders on behalf of Clients means acting to conclude agreements to buy or sell one or more financial instruments on behalf of Clients and includes the conclusion of agreements to sell financial instruments issued by an investment firm or a credit institution at the moment of their issuance.
Execution Venue	Execution venue includes a regulated market, an MTF, an OTF, a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.
Financial instrument	Financial instruments are the instruments specified in MiFID II Section C of Annex I.
Interest rate swap	An interest rate swap is a financial product through which two parties exchange flows; for instance, one party pays a fixed interest rate on a notional amount, while receiving an interest rate that fluctuates with an underlying benchmark from the other party. These swaps can be structured in various different ways negotiated by the counterparties involved.
Limit Order	Limit Order means an order to buy or sell a financial instrument at its specified price limit or better and for a specified size.
Market Maker	A market maker means a person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial instruments against that person’s proprietary capital at prices defined by that person.
Money Market Instrument	Money-market instruments means those classes of instruments which are normally dealt in on the money market, such as treasury bills, certificates of deposit and commercial papers and excluding instruments of payment.
Multilateral Trading Facility (“MTF”)	A Multilateral Trading Facility means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with Title II of MiFID II.
Organised Trading	An Organised Trading Facility means a multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds,

Term	Definition
Facility (“OTF”)	structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of MiFID II.
Over the Counter (“OTC”)	Over the counter trading is a method of trading that does not take place on an organised venue such as a Regulated Market or an MTF. It can take various shapes from bilateral trading to via permanent structures (such as systematic internalisers and broker networks).
Professional Client	Professional Client means a Client meeting the criteria laid down in Annex II of MiFID II.
Regulated Market (“RM”)	Regulated Market means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with Title III of MiFID II.
Retail Client	Retail Client means a Client who is not a Professional Client.
Specific Instruction	Instructions provided to the Company by a client when placing an order for execution, examples of such instructions may contain, but are not limited to, the selection of a limit price, a period of time the order may remain valid or request to execute the order on a specific venue.
Structured finance products	Structured finance products means those securities created to securitise and transfer credit risk associated with a pool of financial assets entitling the security holder to receive regular payments that depend on the cash flow from the underlying assets.
Systematic Internaliser	Systematic Internaliser means an investment firm which, on an organised, frequent systematic and substantial basis, deals on own account when executing client orders outside a regulated market, an MTF or an OTF without operating a multilateral system.
Trading Venue	Trading venue means a Regulated Market, an MTF or an OTF.

## 5. POLICY APPLICATION

### 5.1 Activities in scope

The Company’s obligations under this Policy relate to the MiFID II business activities outlined below:

- *Execution of orders on behalf of Clients:*

The Company has an obligation to execute orders on terms most favourable to its Clients (the “**best execution obligation**”).

- *Reception and transmission of orders:*

The Company owes a duty to act honestly, fairly and professionally in accordance with the best interest of its Clients when receiving and transmitting Client orders to other entities for execution (the “**best interest obligation**”).

The Company may decline to act for a Client or accept Client instructions in cases where ACM is unable to manage the risk of providing best execution to Client for a specific transaction, e.g. due to unclear instructions, market conditions, or factors beyond its control. In such circumstances, ACM shall inform the Client prior accepting any instruction that it will be unable to provide best execution and provide the Client with a summary of the justification for this decision.

The Company will execute an order (i.e. conclude a transaction) under the following capacities stipulated in MiFID II framework:

- *Dealing on own account:* a transaction where ACM may be acting purely to action its own proprietary trades or may be acting on own account with a view to filling orders received from a Client. Dealing on own account with Clients is considered as the execution of Client orders, and subject to best execution obligations, when circumstances demonstrate that the Client is legitimately relying on the Company in

relation to the execution of the transaction (for details please refer to section 5.4 “Legitimate Reliance” below).

- *Matched Principal*: a transaction where ACM interposes itself between the buyer and the seller to the transaction in such a way that is never exposed to market risk throughout the execution of the transaction.
- *Any other capacity*: all other activities than the above, including, in particular, where the activity is taking place on an agency basis.

## **5.2 Products in scope**

This Policy applies to all Financial Instruments falling under the scope of MiFID II (listed in Appendix 1 of this Policy), whether or not the relevant Financial Instruments are admitted to trading or traded on a Trading Venue or an equivalent third country Trading Venue.

## **5.3 Scope of Clients**

This Policy applies to both *Retail* and *Professional* Clients (as defined under MiFID II framework). The Policy will not apply:

- Where the Client is classified as an Eligible Counterparty;
- Where Client orders concern a specific class of Financial Instrument (as defined under MiFID II framework) in respect of which ACM has agreed as per Client’s request to be treated as an Eligible Counterparty.

## **5.4 Legitimate Reliance**

The application of best execution, where the Company engages with the Client on a request for quote basis, will depend on whether the Client “legitimately relies” on the Company to protect his or her interests in relation to the pricing and other elements of the transaction, such as speed or likelihood of execution and settlement, that may be affected by the choice made by the Company when executing the order.

### *i. Retail Clients*

ACM will assume that the Client legitimately relies on ACM in relation to pricing and other elements of transactions that ACM executes with or for a Client in MiFID II Financial Instruments.

### *ii. Professional Clients*

ACM has to provide best execution to a Professional Client where the Client is considered to be placing legitimate reliance on ACM. For example, such circumstances may include, but are not limited to:

- executing orders against ACM’s own book or placing orders on Execution Venues when ACM may attempt to find the opposite side of a Client trade and therefore elects not to execute on a risk basis; and
- Clients seeking to exit a complex structured trade where it would be reasonable to consider that the Client is unable to shop around.

To determine whether the Client is placing legitimate reliance, ACM will follow some general rules published by the European Commission, which includes:

- *which party initiates the transaction*, for example where the Client initiates the transaction it is less likely that the Client is placing legitimate reliance on ACM;
- *the market practice and the existence of a convention for Clients to “shop around”*, for example where market practice for a particular asset class or product suggests that Clients will have access to various providers and the ability to “shop around”, it is less likely that the Clients will be placing legitimate reliance on ACM;
- *the relative levels of transparency within the market*, for example if pricing information is transparent and accessible to the Client, it is less likely that Clients will be placing legitimate reliance on ACM; and
- *the information provided by ACM about its services and the terms of agreement reached between the Client and ACM*, for example where ACM and the Client reach an understanding that the Client is not placing legitimate reliance on ACM.

## 5.5 *Specific Client Instructions*

When a Client has placed an order with a specific instruction in relation to the entire order, or any particular aspect of the order, ACM's obligation to provide best execution/best interest will be considered to be discharged by virtue of the fact it is following the Client's specific instruction. While ACM will not solicit specific instructions from its Clients, it may ask Clients to express a preference between identified potential Execution Venues, provided the use of those venues is consistent with this Policy. In line with the Company's terms of business, no advice will be provided in relation to any orders proposed by Clients to be placed with the Company. If Clients provide specific instructions in respect of part of their orders only, the Company will apply this Policy to the remainder of the order.

***It is highlighted that by following Clients' specific instruction, ACM may be prevented from taking the steps designed and implemented as described in this Policy to obtain the best possible result for the execution or transmission of the order in respect of the elements covered by those instructions.***

## 6. DELIVERING BEST EXECUTION AND BEST INTEREST

### 6.1 *General*

According to MiFID II framework, ACM is required to take all sufficient steps, when executing orders, carrying out portfolio management services and when receiving and transmitting orders, to obtain the best possible result for its Clients, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to order.

This Policy sets out how ACM proposes to meet its best execution and best interest obligations (as defined in section "Activities in scope"), taking into consideration the nature of its business and of its Clients.

The order execution and handling process is designed to provide Clients with the best possible result for orders executed, placed or transmitted, on behalf of Clients, rather than the best possible result in respect of every single occasion. A summary of ACM's order execution process is included in Appendix 2 of this document.

### 6.2 *Execution Factors*

In the absence of specific Client instructions, ACM will use its discretion to determine the factors to be considered as part of taking all sufficient steps to achieve the best possible result for Clients. ACM will seek to tailor such factors in order to provide best execution, and act in the best interest of Clients, for orders, drawing on our investment expertise. The factors to be taken into consideration include, but are not limited, the following:

- **Price:** which will vary according to factors such as market liquidity, market rules regarding quotations, bids and offers, etc.;
- **Costs:** transaction costs, fees, taxes and charges directly referable to the execution of the order that will be paid to any third parties, secondly venue costs;
- **Size:** the influence the size of the order may have on the other execution factors, including the type of Financial Instrument and the type instruction, such as the availability of liquidity for large orders;
- **Speed of Execution:** the speed with which the Company is likely to be able to execute the order on the venues available, meaning the time between reception of the order by the venue and the time it is allocated;
- **Likelihood of execution:** including the relative liquidity of the venues available for execution;
- **Likelihood of settlement:** the relative risk that a counterparty for an order may default on its obligation to settle a trade, taking into account venue rules and applicable legislation, trading conventions, identity of counterparty (where disclosed), technical and operational risk affecting delivery, etc.; and
- **Nature or any other consideration relevant to the execution of the order:** such as, potential market impact, whether the Financial Instrument is executed on a Regulated Market, MTF and OTF.

### **6.3 Determination of the relative importance of the Execution Factors (Execution Criteria)**

In considering the application of best execution to Client orders, ACM will consider the relative importance of the execution factors by reference to 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 (“SFT”);
- the characteristics of the **Financial Instruments** that are the subject of that 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.; and
- any other circumstance that ACM may deem to be relevant for the execution of a specific instruction.

Subject to any Client specific instructions, in general, ACM will consider the total consideration payable by the Client as an appropriate concept to deploy in determining how to apply the factors listed above. Total consideration is the price of the Financial Instrument and the costs related to execution, including all expenses incurred by the Client which are directly related to the execution of the order, such as Execution Venue fees, clearing and settlement fees, and any other fees paid to third parties involved in the execution of the order.

For Clients classified as **Retail Clients**, in the absence of specific Client instructions, the best possible result will be determined in terms of total consideration as described above. It is noted that all factors listed in section “Execution Factors” will be taken into consideration. In particular, ACM may consider that in certain cases the speed, likelihood of execution and settlement, the size and nature of the order, the market impact and any other implicit transaction costs may give precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of total consideration to the Retail Clients.

For Clients classified as **Professional Clients**, total consideration may not be an appropriate guide for execution in all cases, for example, speed of execution may take precedence in less liquid instruments.

### **6.4 Relative importance of Execution Factors per class of Financial Instrument**

The relative importance ACM places emphasis to the Execution Factors per class of Financial Instruments is provided in Appendix 3. It is noted that the order is indicative and the assessment will be based on a transaction by transaction basis.

### **6.5 Execution Costs**

Information on the costs and associated charges is provided in the Company’s agreements.

### **6.6 Transparency of Pricing**

In executing Client orders ACM does not receive any remuneration, discount or non-monetary benefit for routing Client orders to a particular Trading or Execution Venue which would infringe any conflicts of interest or inducement requirements under MiFID II. However, and in case where the Company receives such inducements, such amounts may be received, if and only if the inducement is designed to enhance the quality of the relevant service to the Client, and does not impair compliance with the Company’s duty to act honestly, fairly and professionally in accordance with the best interest of its Clients.

ACM will charge fees depending on the type of services supplied as provided in the Company’s Terms of Business, or as may otherwise be agreed between ACM and the Client. It is noted that the price when executing orders may include a mark-up/down. The mark-ups depend on various circumstances, including amongst others, the nature of the Financial Instrument, and market conditions.



In particular, when CFDs or rolling spot forex products are offered, ACM may charge a spread on the transaction. This spread includes a mark-down on the bid price and a mark-up on the ask price ACM receives from its price source and/or the prices ACM receives from its selected Execution Venues.

In general, in relation to CFD products, the term “spread” often encompasses two layers of costs, since a mark-up to a reference price may be applied, but that reference price is also derived from a market price with an accrued ‘core’ spread already factored in. Any mark-up applied by the ACM will be symmetrical to either:

- a) the data received from independent market data providers or publicly available sources (when dealing on own account), or
- b) the price provided by the selected Execution Venues or liquidity providers relating to the provision of CFDs and other speculative products.

ACM will not seek to benefit from Clients through asymmetric price movements.

Checks on fairness of price proposed to Clients:

When executing orders or taking decisions to deal in Over The Counter (“OTC”) products, including bespoke products, as well as when placing orders resulting from decisions to deal in OTC products, ACM will check the fairness of the price proposed to Clients, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products (i.e. outside of OTC). Such checks will be undertaken on a systematic basis and will take place prior to the execution of the order. The Company will maintain records and documentation to evidence this assessment so as to be able to review and monitor its best execution arrangement and justify its pricing decisions.

Where CFDs are based on liquid underlying markets, for example equities, ACM will base its prices on externally verifiable prices that reflect actual underlying pools of liquidity or a public reference price. For example, relevant benchmark prices may include:

- For CFDs on equities, the best bid offer prices on the primary exchange or another venue that has sufficient liquidity to consistently reflect the market price;
- For CFDs on FX or commodities, futures contracts quoted on an exchange, or spot or futures prices provided by liquidity provider platforms (such as a large investment bank), or an external benchmark price provider.

ACM will take all necessary measures to ensure that the prices used, are the most appropriate for the type of orders being received. As such, ACM will systemically monitor the quality of prices it receives from a sufficient number of independent data providers or other liquidity providers and compare such prices with other independent sources. If a preferred price source used by a firm offering CFDs is temporarily unavailable during normal trading hours, ACM may execute the CFD trade by applying a transparent spread to the last trade executed in the underlying instrument, or may seek a price from a market maker known to offer consistent pricing in an instrument.

In the case where external data is unavailable, internal reference price data may be used, and additional controls will be undertaken in order to ensure integrity of such data.

## **7. EXECUTION VENUES AND BROKERS STRATEGY**

### **7.1 General**

ACM utilises a number of Execution Venues which includes a Regulated Market, an MTF, an OTF, a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.

ACM has identified the Execution Venues and brokers that it places significant reliance in meeting its obligation to take all sufficient steps to consistently provide Clients the best possible result for the execution, and reception and transmission, of the Client orders, to the extent that ACM has discretion over the choice of Execution Venue or broker.

When the Company places orders or transmits orders for execution to other entities (e.g. brokers), it will ensure that such entities have policies and arrangements that enable the Company to comply with its obligations to act in the best interest of Clients when placing orders with, or transmitting orders to, other entities for execution.

ACM will not structure or change its commission in such a way as to discriminate unfairly between Execution Venues. In particular, ACM will keep a record of, and review, differences in commissions in order to ensure that such payments due from the Client are proportional to actual venue costs and were executed based on best execution rules.

Should different fees apply depending on the Execution Venue/broker, ACM will explain these differences to the Client in sufficient detail in order to allow the Client to understand the advantages and the disadvantages of the choice of a single Execution Venue/broker.

## **7.2 Selection Process of Execution Venues and brokers**

The Company applies a formalised process for the selection of an Execution Venue or broker through the application of appropriate due diligence and consideration of a number of factors in order to ensure that they are able to consistently provide Clients the best possible result.

The selection of an Execution Venue and/or broker is primarily based on the following factors which encompasses both quantitative and qualitative factors:

- Availability of best pricing for a specific Financial Instrument and liquidity of the Execution Venue or broker;
- Cost of clearing and settlement;
- Speed and likelihood of execution (e.g. fill rates);
- Size;
- Reliability of the Execution Venue and broker in terms of reputation and good standing (e.g. creditworthiness, sanctions from regulators, etc.);
- Quality of execution and service, both historical and current, based on the review performed;
- Transparency of price formation process (pre-trade);
- Ability to provide transaction cost analysis;
- Continuity of trading;
- Technological infrastructure and capabilities of the Execution Venue and broker;
- Circuit breakers;
- Quality of any related clearing and settlement facilities;
- Access to alternative markets;
- Responsiveness to any requests/complaints and willingness to correct such errors;
- Financial solvency of the entity; and
- Any other relevant factor.

The relative importance ACM places emphasis for the selection of Execution Venues and brokers per class of Financial Instruments for Retail Clients and Professional Clients is provided in Appendix 3.

The Company may use a connected party or a third party broker to provide assistance in relation to the execution outside of the European Economic Area (“EEA”). Using a venue or broker outside of the EEA does not remove the best execution / best interest obligation to a Client. In such cases, the Company will properly assess the execution policies and quality of the venues or brokers outside of the EEA, assuming that such venues or brokers are subject to similar regulatory requirements on the third country jurisdiction. If the venue or broker is not subject to similar regulatory requirements, ACM will ensure that the other party has policies and arrangements in place to enable the Company to comply with the best execution and interest obligations.

### **7.3 List of Execution Venues and brokers**

A list of the Execution Venues and/or brokers ACM may use per class of Financial Instrument for Retail and Professional Client orders, where applicable, is provided in Appendix 4. In addition, a list of the Execution Venues that ACM has access via the brokers is provided in Appendix 5. It is noted that additional venues and/or brokers may be used at the discretion of a Client and subject to specific contractual arrangements being established.

### **7.4 Assessment of Execution Venues and brokers**

ACM will undertake regular assessments of its Execution Venues and brokers as well as the execution quality provided in order to determine whether Existing Venues and brokers included in the Policy continue to provide the best possible result for Clients, and to review the suitability of new Execution Venues or brokers. The assessment will take into consideration information as well as the criteria presented in section “Selection of Execution Venues and brokers”. For more details, please refer to section “Review and monitoring the effectiveness of arrangements and execution quality”.

### **7.5 Executing or placing orders outside a Trading Venue**

ACM may execute or place an order (or transmit an order for execution) outside a Trading Venue provided that the Client’s prior express consent is obtained. It is noted by executing a transaction outside a Trading Venue, additional risks may be incurred. For example, the transaction will not be covered by any settlement and clearing rules applicable to a trading venue and will be subject to counterparty risk which may result in a loss for a Client if the counterparty is not able to fulfil its contractual obligations.

For additional information on the relevant risks associated when executing transactions outside a Trading Venue, refer to the “Financial Instruments Description and Associated Risks” document that is provided during on-boarding process as well as the Risk Disclosure Statement posted at <https://alfacapital.com.cy/en/products/risk-warning/>. Upon Client request, additional information about the consequences associated with executing orders outside a Trading Venue may be provided.

### **7.6 Single Execution Venue/Broker**

In certain circumstances it may be appropriate to have a single Execution Venue to execute, or to send orders to a single entity for execution of, Client orders for a specific class of Financial Instruments. In such cases, the Company will only use a single Execution Venue or a single entity for execution (e.g. broker) where it is able to demonstrate that such a choice enables it to get the best results for our Clients on a consistent basis.

In order to comply with the requirement to act in the best interests of its Clients, the Company will regularly assess the market landscape to determine whether or not there are alternative venues that could be used. In particular, the Company will use information available by Execution Venues/Brokers on trading conditions and quality of execution across different Execution Venues/Brokers. For more details on the assessment of Execution Venues and brokers please refer to section 11.3 “Review and monitoring of execution arrangements and execution quality”.

Furthermore, and in order for the Company to determine whether or not other suitable venues exist, it will benchmark the value of expected aggregate price improvements by adding a venue and comparing the expected outcomes against an assessment of any additional direct, indirect or implicit costs (to the extent that such costs would be directly or indirectly passed on to Clients), counterparty or operational risks.

### **7.7 Execution arrangements involving connected parties**

In the case where ACM is executing Client orders with connected party (e.g. entity within the same group), and in the case of ACM is dealing on own account that execute hedge trades with a connected party, which could impact the quality of the execution offered by ACM to its Client, ACM will remain responsible for delivering best execution and best interest to its Clients. In particular, ACM ensures that any such arrangements with a connected party, such as an intra-group counterparty:

- a. are made on an arm’s-length basis, such that the connected party Execution Venue/Broker is considered alongside other third party venues and is selected because it allows the firm to deliver the best possible result to its Clients on a consistent basis;

- b. allow the Company to have sufficient, independent oversight of its execution arrangements (i.e. that oversight is not performed by the connected party);
- c. ensure sufficient and free access to information to ensure the Company can effectively monitor and challenge execution prices provided by the counterparty; and
- d. where a connected party is selected on the basis that it offers reduced execution costs, the Company will ensure that this would result in a benefit to the Client.

## **8. SECURITIES FINANCING TRANSACTIONS**

SFTs are used as a source of funding subject to a commitment that the borrower will return equivalent securities on a future date. The terms of SFTs are typically defined bilaterally between the counterparties ahead of the execution. When entering into an SFTs, the Company executes such transactions on a principal to principal basis, it does not act as an agent on behalf of the Client.

## **9. TRADING OBLIGATION IN SHARES AND DERIVATIVES**

ACM will ensure that all trades it undertakes in shares which are admitted to trading on a Regulated Market or traded on a Trading Venue, such transactions shall take place on a Regulated Market, MTF, or Systematic Internaliser, or a third-country Trading Venue assessed as equivalent in accordance with the applicable provisions of MiFID II, unless their characteristics meet one of the following conditions:

- non-systematic, ad-hoc, irregular and infrequent, or
- carried out between Eligible and/or Professional Counterparties and do not contribute to the price discovery process.

ACM will also ensure that transactions in derivatives that are subject to trading obligation concluded with Financial Counterparties and Non-Financial Counterparties above the clearing threshold as defined in the Regulation (EU) No 648/2012, which are not intra-group transactions, are concluded only on Regulated Markets, MTFs, OTFs or third-country equivalent Trading Venues.

## **10. CLIENT ORDER HANDLING AND ALLOCATION POLICY**

### **10.1 General**

In accordance with the obligations under MiFID II framework, the Company will endeavour to provide Clients with prompt, fair and expeditious execution of Client orders placed with the Company, relative to other orders from its clients or proprietary trading interests of brokers including connected parties. In so doing, the Company:

- promptly and accurately records and allocates orders executed on behalf of Clients;
- carries out comparable Client 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; and
- informs Retail Clients about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

When ACM is responsible for overseeing or arranging the settlement of an executed order, ACM takes all reasonable steps to ensure that any Client Financial Instruments or Client funds received in settlement of that executed order are promptly and correctly delivered to the account of the appropriate Client.

ACM does not misuse information relating to pending Client orders and takes all reasonable steps to prevent the misuse of such information by any of its relevant persons.

The Company shall maintain records for a period of five years, or if requested by the Competent Authority for up to seven years, in a durable medium in line with the Company's Document Retention Policy.

### **10.2 Limit Orders**

"Limit order" means an order to buy or sell a Financial Instrument at its specified order limit or better and for specified size.

Unless a Client expressly requests the Company not to do so, if a Client instructs the Company with a limit order in respect of shares admitted to trading on a Regulated Market or traded on a Trading Venue, other than a large scale order, which are not immediately executed under prevailing market conditions, the Company will take measures to facilitate the earliest possible execution of the Client's order by making public immediately that Client limit order in a manner which is easily accessible to other market participants.

A Client limit order shall be considered available to the public when the Company has submitted the order for execution to a RM or a MTF or the order has been published by a data reporting services provider located in one Member State and can be easily executed as soon as market conditions allow.

RM and MTFs will be prioritized to ensure execution as soon as market conditions allow.

### **10.3 Aggregation and allocation of orders and transactions for own accounts**

The Company may carry out a Client order or a transaction for own account in aggregation with orders of other Clients, provided the following conditions are met:

- a. it is unlikely that the aggregation of orders and transactions will work overall to disadvantage of any Client whose order is to be aggregated;
- b. it is 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;
- c. the order will be aggregated in accordance with this Policy, which is designed to achieve a fair allocation of aggregated orders and transactions, including how the volume and price of orders determines allocations and the treatment of partial executions.

The Company may execute the Client's order as a series of transactions at different times and apply the average price to such transactions.

Where the Company aggregates a Client order with one or more other orders and the Client order is partially executed, it will allocate the related trades in accordance with fair and equal treatment and on a pro-rata basis depending on the size of the order received (e.g. block trades) and the liquidity of the market related to the specific Financial Instrument in question. Where a Client order is to be aggregated with a transaction for own account, ACM will allocate trades to the Client in priority to ACM's proprietary orders (not in a way that is detrimental to a Client), unless ACM is able to demonstrate on reasonable grounds that ACM would not have been able to carry out the Client order on such favourable terms without the aggregation, or at all, in which case it will allocate trades proportionally in accordance with its Order Allocation Policy.

The Company will not be responsible for any delays or inaccuracies in the transmission of orders or the execution thereof in either case due to any cause whatsoever beyond the reasonable control of such party.

## **11. REVIEW, ASSESSMENT, AND MONITORING**

### **11.1 General**

ACM will verify on an on-going basis that execution arrangements work well throughout the different stages of the order execution process in accordance with this Policy, in order to identify and, where appropriate take all appropriate remedial actions so that it can properly demonstrate that it has taken "all sufficient steps" to achieve the best possible results for its Clients. In addition, the Company will ensure at all times that any entity with which orders are placed, or to which the Company transmits orders for execution, has execution arrangements in place that enable the Company to comply with its obligations under MiFID II framework when it places or transmits orders to that entity for execution.

### **11.2 Review of the Policy**

ACM's senior management and Compliance function ("**Compliance**") will, on a regular basis, review this Policy and the procedures and measures adopted to implement the same at an operational level, in an effort to identify, and where appropriate, correct any deficiencies.

In particular, this Policy will be reviewed at least annually, and whenever a material change occurs that affects ACM's ability to obtain the best possible result for the execution, and transmission, of Client orders, on a consistent basis using the venues and brokers used by ACM and included in this Policy.

ACM will assess whether a material change has occurred, and in such a case, ACM will consider making any required changes to the relative importance of the best execution factors, and the Execution Venues or entities on which it places significant reliance, in meeting the overarching best execution/best interest requirement.

For the purpose of this Policy, a material change shall be a significant event that could impact parameters of best execution such as, cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

Such material changes will include, amongst others, consideration of the following:

- the addition or removal of Execution Venues or brokers;
- changes in products (financial instruments) or services offered by the Company;
- changes in the relative importance of best execution factors and criteria;
- material market impact;
- material change in the level of costs resulting from connection to a venue;
- development of significant new execution procedures or a change in the market model of an existing venue;
- major change to existing arrangements, such as a material change in the human or technical resources that the Company relies on to provide best execution;
- complaints in relation to a major issue noted by a Client (in such case, this would not necessarily trigger review of the entire Policy).

The Clients with whom the Company has an ongoing relationship, will be notified of any material changes or amendments to this Policy or order execution arrangements, which may be made from time to time. Such notice may be served to you by sending you the amendments by post or courier or through a durable medium such as electronic mailing systems or by posting the revised Policy on our corporate website as here above provided. Such amendments will become effective upon the date indicated in the notice or in the revised Policy posted on the website from time to time. The latest version of the Policy will be available on the Company's website.

### ***11.3 Review and monitoring the effectiveness of arrangements and execution quality***

ACM will monitor on a regular basis the effectiveness of the execution arrangements established and, in particular, the quality of execution of the Execution Venues, and entities with which ACM currently places orders or to which transmits orders (e.g. brokers), as identified in the Policy and, where appropriate, correct any deficiencies.

The order execution arrangements as well as transmission and portfolio management arrangements for Client orders, will be reviewed at least annually, and whenever a material change occurs that affects ACM's ability to obtain the best possible result for the execution, and transmission, of Client orders, on a consistent basis using the venues and brokers used by ACM and included in this Policy.

ACM will undertake regular assessments of its Execution Venues and brokers in order to determine whether existing venues and brokers included in the Policy continue to provide the best possible result for Clients and to review the suitability of new Execution Venues or brokers. Based on the results of the assessment, ACM will assess whether it needs to make any changes to such arrangements.

In taking all sufficient steps, ACM will monitor the quality of execution obtained in the preceding year as well as the quality and appropriateness of its execution and transmission arrangements and policies on an ex-ante and ex-post basis, identifying changes that may be appropriate or not.

For example, the monitoring procedures will include, amongst others, the following depending on the class of Financial Instrument and service provided:

- Checks on whether the design and review processes established by the Company are appropriate in light of new services or products offered by the Company (if any) and issues identified during review processes;
- Real time monitoring: Controls (limit warnings) and breach alerts for all order entries and receipts, order routes and price checks on a pre-order basis, communication surveillance between the Company's traders and its clients.
- Sample testing per class of Financial Instrument in order to determine whether the Company has correctly applied this Policy, including checks on whether Client instructions and preferences have been effectively processed and passed along the entire execution chain;
- Comparing the prices provided by Execution Venues against external price sources or other venues to ensure that there are no significant or systematic deviations in the pricing provided to its Clients on a regular basis;
- Monitoring the quality of execution by reviewing statistics related to frequency of rejections and re-quotes, as well as the symmetry of any observed slippages (positive vs negative). This monitoring will be supplemented by sample checks that include a reasonable proportion of orders, both in terms of numbers and values, and ensure that all relevant types of Clients and orders are represented. In addition, the Company will monitor statistics around speed of execution (order execution timeframes, i.e. average % of orders being executed within certain timeframes both in numbers and in values);
- As part of the assessment of the Execution Venues and brokers, the Company will take into consideration the following, where possible:
  - information available by Execution Venues and brokers, including amongst others, information to be published on trading conditions and quality of execution, through a series of metrics such as, volume, frequency of trading, resilience or execution price related information;
  - the market landscape, the emergence of new market players, venue functionalities or execution services, where possible.

The Company will also conduct checks on the quality of Execution Venues and brokers with reference to the selection factors of the Execution Venues and brokers as described in section "Execution Venue and Brokers Strategy";

- Monitoring any complaints related to the quality of execution in order to ensure that any deficiencies are improved;
- Periodic reporting to senior management in relation to review performed and appropriateness of execution arrangements and Policy.

#### ***11.4 Review and monitoring of transactions and pricing methodology***

ACM will regularly test and review any pricing methodology used, and keep records of its monitoring as evidence to verify the fairness of any constructed price. ACM will review its arrangements, including price sources, on at least an annual basis.

Furthermore, ACM will regularly monitor and review transactions executed to verify compliance with this Policy and whether or not the best result has been achieved for the Client. Monitoring will take place in a manner which is tailored and proportional to the types of orders ACM receives for execution.

The Head of Brokerage ensures that the Client is entitled to the best execution requirement. In particular, the Head of Brokerage will take, on a daily basis, the executed transactions to check the price used for the execution of a Client's order against the bid/ask price of the Financial Instrument as this is recorded in Bloomberg, in order to confirm that the best interest of the Client is served according to this Policy.

## **12. CONFLICTS OF INTEREST**

For further information, relating to the identification, prevention and management of conflicts of interest, please refer to the summary of the Company's Conflicts of Interest Policy that is included in Terms of Business. The Company's Conflicts of Interest Policy could be available to you upon request.

## **13. PUBLIC REPORTING REQUIREMENTS**

### ***13.1 Information on the top five Execution Venues and Brokers***

In accordance with MiFID II framework, the Company is required to make public on an annual basis, certain information on the top five Execution Venues, for each class of Financial Instruments traded, and separately for Retail and Professional Clients and SFTs, in terms of trading volumes where the Company executed Client orders in the preceding year and information on the quality of execution obtained. Similar information will be reported with respect to the top five investment firms (e.g. brokers) where they transmitted or placed Client orders for execution in the preceding year.

Such information will be published on the Company's website, and will be available for downloading by the public at <https://alfacapital.com.cy/en/mifid/best-execution-reports/>.

### ***13.2 Information on the quality of execution of transactions***

MiFID II framework requires that for Financial Instruments subject to the trading obligation, each Trading Venue and Systematic Internaliser, and for other Financial Instruments each Execution Venue, makes available to the public, data relating to the quality of execution of transactions.

Such information shall be published (on a quarterly basis) for each trading day, in a machine-readable electronic format, available for downloading by the public. The Company will publish such information on the Company's website where this obligation is relevant to the Company, and will be available at the Company's website, at <https://alfacapital.com.cy/en/mifid/best-execution-reports/>.

## **14. REQUEST FOR ADDITIONAL INFORMATION**

Upon request from Clients, the Company will be able to demonstrate to Clients, that their orders were executed in accordance with the provisions set out in this Policy, as well as to CySEC, at its request, compliance with this Policy.

In addition, upon reasonable and proportionate request from Clients, the Company will provide additional information about its policies or arrangements and how they are reviewed by the Company. Furthermore, upon reasonable request from a Client, the Company will provide its Clients or potential Clients with information about entities where the orders are transmitted or placed for execution. The Company undertakes, where appropriate, to answer as clear as possible and within a reasonable time.

## **15. CONSENT**

### ***15.1 Consent to this Policy***

The Client will be deemed to have consented to this Policy upon acceptance of the Terms of Business and on the first occasion the Client instructs ACM to execute any transaction in Financial Instruments.

### ***15.2 Consent for executing orders outside a Trading Venue***

ACM is required to obtain the express consent from Clients, prior to executing orders outside a Regulated Market, MTF or OTF.

## **16. COMMUNICATIONS**

Should the Client believes that ACM has failed to apply this Policy to one of the Client orders, the Client may make a written request to ACM for an explanation of how this Policy was applied to the specific order, including details of how ACM has considered the factors listed in section "Execution Factors" based on the information available at the time of the Client order.

In case the Client has any complaint about the Company's order handling and execution, the Client may submit a formal complaint by completing the Complaints Form accessible on our website and sending the completed form to [complaints@alfacapital.com.cy](mailto:complaints@alfacapital.com.cy). ACM will then try to resolve the complaint in accordance with its internal procedure for dealing with Clients complaints (a copy of which is available on <https://alfacapital.com.cy/en/client-area/clients-complaints/>).

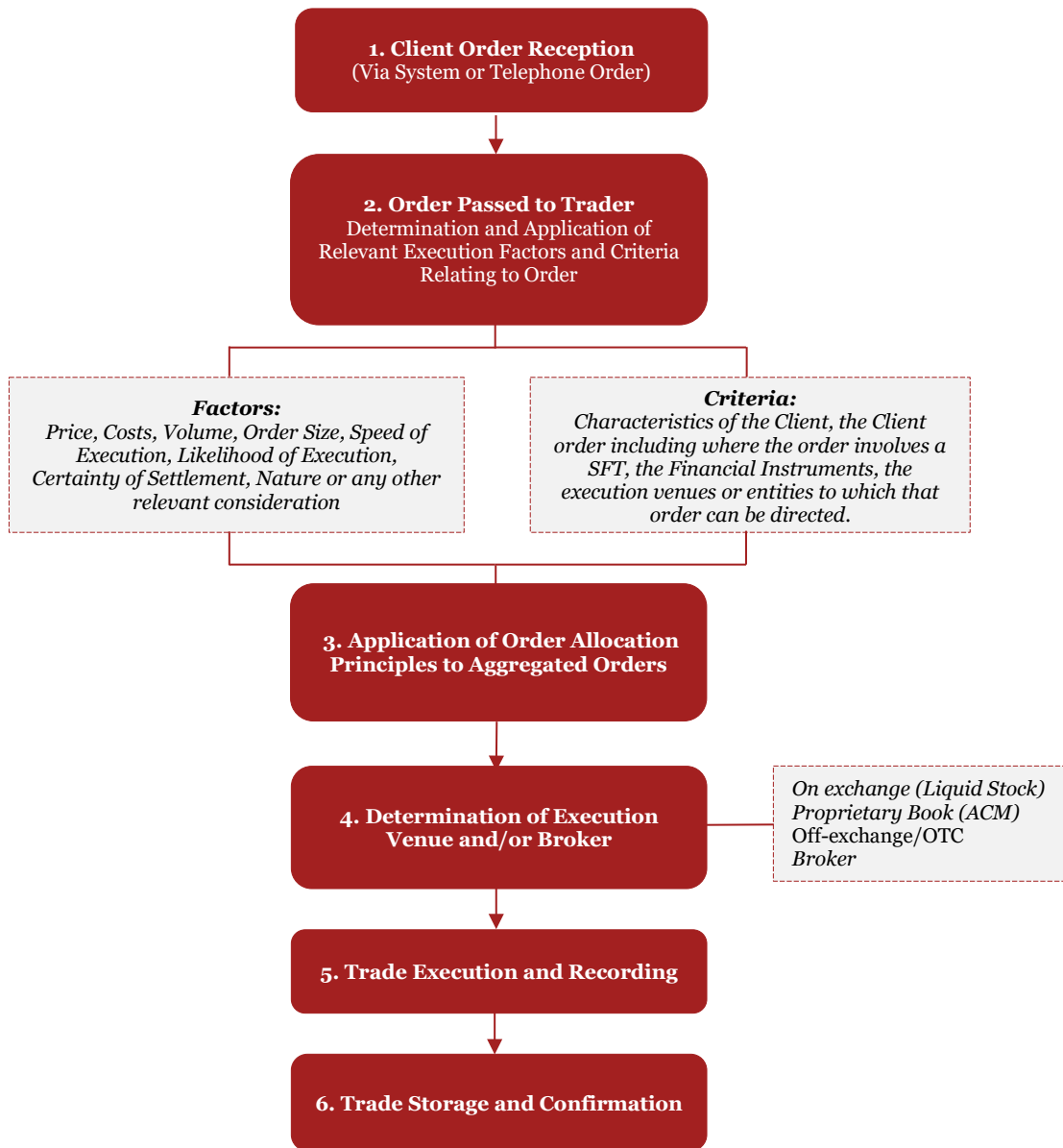


## *Appendix 1 – Type of Financial Instruments in scope of MiFID II*

The following are Financial Instruments to which this Policy applies:

1. Transferable securities;
2. Money-market instruments;
3. Units in collective investment undertakings;
4. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
5. Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event;
6. Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a Regulated Market, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;
7. Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled and that are not otherwise mentioned in paragraph 6 above and not being for commercial purposes, which have the characteristics of other derivative financial instruments;
8. Derivative instruments for the transfer of credit risk;
9. Financial contracts for differences;
10. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in Appendix, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a Regulated Market, OTF, or an MTF;
11. Emission allowances consisting of any units recognised for compliance with the requirements of Directive 2003/87/EC (Emission Trading Scheme).

*Appendix 2 – Summary of Order Execution and Transmission Process*



**NOTE:**

The above diagram is intended as an indicative example of the execution process and factors ACM will be likely to follow. This illustration will not bind ACM in relation to any different process, methodology, factors or any other information we deploy in endeavouring to achieve best execution for our Clients.

### **Appendix 3 – Best Execution and Best Interest per class of Financial Instrument and type of service**

This Appendix provides further details on how best execution and interest obligations are addressed per class of Financial Instrument, when execution Client orders, or when receiving and transmitting Client orders, or when carrying out portfolio management, among the following classes of Financial Instruments:

<b>A. Equities and Exchange Traded Products</b>							
<b>1. Products in Scope</b>							
<ul style="list-style-type: none"> <li>• Shares</li> <li>• American Depositary Receipts (ADRs)</li> <li>• Global Depositary Receipts (GDRs)</li> <li>• Exchange Traded Funds (ETFs)</li> <li>• Exchange Traded Notes (ETNs)</li> </ul>							
<b>2. Type of Service</b>							
The Company executes Clients' orders mainly in an agency capacity.							
<b>3. Order Handling</b>							
<p>Orders of cash equity transactions are generally passed to brokers for execution who have access to the relevant exchange for execution and the expertise required to ensure best execution of the order.</p> <p>Where the Client provide ACM with a specific instruction in relation to an order, ACM will follow that instruction so far as is reasonably possible when executing the trade. By following this specific instruction, ACM will have no obligation to ensure best execution in relation to that transaction. Examples of such instructions may include but are not limited to requests to execute on a particular venue or to execute an order over a particular timeframe or/and price.</p>							
<b>4. Relative Importance of Execution Factors</b>							
Factor	Price	Cost	Speed	Likelihood	Size	Nature	Other
<b>Importance</b>	High	High	High	High	High	Medium	Medium
<b>5. Selection of Execution Venues</b>							
Depends on the characteristics of the reference equity, i.e. in which venues are traded and size limitations.							
<b>6. Selection of Brokers</b>							
<p>The selection of brokers depends on the following factors:</p> <ul style="list-style-type: none"> <li>• Size of transactions</li> <li>• Price and cost of transaction</li> <li>• Likelihood and access to a specific venue</li> <li>• Reputation</li> </ul>							

<b>B. Debt Instruments</b>							
<b>1. Products in Scope</b>							
<ul style="list-style-type: none"> <li>• Bonds</li> <li>• Money market instruments</li> </ul>							
<b>2. Type of Service</b>							
The Company executes Clients' orders mainly in principal capacity.							
<b>3. Order Handling</b>							
For orders involving debt instruments the Company checks whether there is availability of these securities in the its own books, otherwise, it places the relevant order to a MTF, SI, OTF or OTC.							
<b>4. Relative Importance of Execution Factors</b>							
<b>Factor</b>	<b>Price</b>	<b>Cost</b>	<b>Speed</b>	<b>Likelihood</b>	<b>Size</b>	<b>Nature</b>	<b>Other</b>
<b>Importance</b>	High	Medium	Low	Medium	High	Low	Low
<b>5. Selection of Execution Venues</b>							
Depends on the characteristics of the security, i.e. in which venues are traded and size limitations.							
<b>6. Selection of Brokers</b>							
<p>The selection of brokers depends on the following factors:</p> <ul style="list-style-type: none"> <li>• Size of transactions</li> <li>• Price and cost of transaction</li> <li>• Likelihood and access to a specific venue</li> <li>• Reputation</li> </ul>							

## C. Contracts for Differences and Rolling Spot

### 1. Products in Scope

- Contracts for Differences
- Rolling Spot

### 2. Type of Service

The Company executes Clients' orders on a principal basis.

### 3. Order Handling

The trading platforms the Clients could use for placing orders are Metatrader 5 and BierbaumPro. Customers place their orders into the trading platforms themselves. In case customers cannot place the order into the trading platforms for any reason, they can use recorded telephone lines for that purpose. Clients' orders are handled automatically usually by applying first-in, first-out approach.

### 4. Relative Importance of Execution Factors

Factor	Price	Cost	Speed	Likelihood	Size	Nature	Other
<b>Importance</b>	High	High	High	High	Medium	Medium	Medium

The Company when executes Clients' orders in relation to financial instruments such as CFDs, it mainly acts as principal and not as agent. The aforementioned factors are always taken into account to obtain the best possible result for its Clients. Specifically,

**Price:** The Company's price for a given CFD is calculated by reference to the price of the relevant underlying asset, which the Company obtains from third party external reference sources. The Company's prices can be found on the Company's trading platforms (Metatrader 5, BierbaumPro). The Company updates its prices as frequently as the limitations of technology and communications links allow. The Company reviews its third party external reference sources at least once a day (constantly during trading session), to ensure that the data obtained continues to remain competitive. If the price reaches an order such as: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop these orders will be executed. Under certain trading conditions it may be impossible to execute orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop) at the declared Clients price. In this case, the Company has the right to execute the order at the first available price. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. This may also occur at the opening of a trading session. Trading during volatile conditions where important news and data releases are made is incredibly risky and therefore the best execution criteria might not apply. The execution pricing in such a cases will always be provided at the first available price.

**Costs:** The value of opened positions in some types of CFDs is increased or reduced by a daily swap rate throughout the life of the contract. Swap rates are based on prevailing market interest rates, which may vary over time.

**Size:** The Company may limit the maximum volume of the single transaction.

**Speed of Execution:** The speed of execution could be affected by factors related to internet connection, and the access to the Company's servers and platforms, resulting potentially to delays in receiving Clients' orders and therefore affecting the price of execution.

**Likelihood of execution:** The Company reserves the right to decline an order of any type or to offer the Client a new price for an instant order. In this case, the Client can either accept or refuse the new price. Moreover, there are risks associated with the failure of systems/platforms/internet that could result in Clients' orders either not being executed according to Clients' instructions or not being executed at all. The Company does not accept any liability in the case of such system failure.

**Certainty of settlement:** The Company proceeds to a settlement of all transactions upon execution of such transactions.

**Nature or any other consideration relevant to the execution of the order:** Specific types of orders placed by the Client may affect the execution of the Client order e.g. Stop Loss, Limit order, instant order, market order.

## **5. Selection of Execution Venues**

The Company acts as principal and therefore it is the sole Execution Venue for the execution of the Clients' orders. In specific circumstances, the Company may route its own orders to regulated EU and Non-EU financial institutions. These type of transactions are undertaken Over The Counter (OTC).

The Company takes into consideration multiple factors when selecting liquidity providers such as the likelihood of execution, operations quality, market position, costs to the Company, swap costs, authorization/regulation and pricing.

D. OTC Derivatives							
<b>1. Products in Scope</b>							
<ul style="list-style-type: none"> <li>• Forwards</li> <li>• Swaps</li> <li>• Options</li> </ul>							
<b>2. Type of Service</b>							
The Company executes Clients' orders on a principal basis.							
<b>3. Order Handling</b>							
OTC derivatives that involve a customized financial element are bilateral contracts that are arranged through negotiations with a quote or price provided to a client. A client will decide whether or not to transact with ACM on the basis of that quote. When deal in OTC derivatives of this nature, ACM checks the fairness by gathering market data used in estimation of the price of such products and, where possible by comparing with similar or comparable products.							
<b>4. Relative Importance of Execution Factors</b>							
<b>Factor</b>	<b>Price</b>	<b>Cost</b>	<b>Speed</b>	<b>Likelihood</b>	<b>Size</b>	<b>Nature</b>	<b>Other</b>
<b>Importance</b>	High	N/A	Medium	N/A	High	Low	High
Under category "other", the Company considers the availability of mutual risk limits as relative importance factor for execution purposes of OTC derivative transactions.							
<b>5. Selection of Execution Venues</b>							
<p>OTC bespoke products are executed by ACM in the capacity of principal. For OTC derivatives, where a client requests a quote and we offer a firm price, ACM will execute the order. In such case, the Company shall not be treated as marker maker, as it does not deal on a regular and continuous basis by posting or executing orders at a publicly quoted price.</p> <p>When executing orders in derivatives, this will be subject to the derivatives trading obligations where applicable.</p>							

#### ***Appendix 4 – List of Execution Venues and Brokers per class of Financial Instrument***

This Appendix provides a non-exhaustive list of Execution Venues and Brokers on which the Company places significant reliance. The Company may also use other venues or brokers when it deems appropriate in accordance with this Policy.

Regardless of Client categorisation, the Company uses the same factors for the selection of an Execution Venue and/or Broker.

#### **Retail and Professional Clients:**

<b>Class of Financial Instrument</b>	<b>Name</b>	<b>Capacity</b> <i>(Execution Venue/broker)</i>
<b>Equities and Exchange Trade Products</b>	1.London Stock Exchange	Execution Venue
	Main brokers used are: 1. Citigroup Global Markets Limited 2. AO Raiffeisenbank 3.Alfa Bank CJSC 4. HSBC France S.A 5. Instinet Germany GmbH  Access to all Global Execution Venues via approved third-party brokers (including affiliates/related parties).	Broker
<b>Debt instruments</b>	1. Bloomberg Trading Facility B.V- MTF 2. TradeWeb Europe MTF 3. MTS S.p. A- MTF	Execution Venue
	Main brokers used are: 1. Alfa Bank CJSC 2. AO Raiffeisenbank	Broker
<b>Contracts for Difference</b>	The Company acts as principal for the execution of the Clients' orders. In specific circumstances, the Company may route its own orders to regulated EU and Non-EU financial institutions. These type of transactions are undertaken Over The Counter (OTC).	
<b>OTC Derivatives</b>	The Company acts as principal for the execution of the Clients' orders. These type of transactions are undertaken Over The Counter (OTC).	



## Securities Financing Transactions:

The Company acts in principal capacity in Securities Financing Transactions (SFT) products encompassing cash bonds and equities instruments, including common stocks, American Depositary Receipts (“ADRs”), and Global Depositary Receipts (“GDRs”). Where ACM enters into SFTs, all the transactions will be conducted on an Over the Counter basis and will be the sole Execution Venue for executing clients’ orders.

In the limited scenarios in which we act as an “agency-like” capacity, our rationale for this is that such transactions are initiated by the other party and price and likelihood of execution are likely to be the predominant execution factors.

## Appendix 5- List of Execution Venues through a Third Party Broker

The Company uses the following execution venues via approved third-party brokers, when obtaining best execution in accordance with this Policy and as defined by MiFID II. The list is subject to change and may be re-issued accordingly. The Company may use other venues to achieve best possible results as it is stated in the Policy

Equities and Exchange Traded Products		
United States of America		
Execution Venue	Type	MIC Code
NYSE MKT (American)	Regulated Market	XASE
NYSE Arca	Regulated Market	ARCX
NYSE	Regulated Market	XNYS
BATS BZX	Regulated Market	BATS
BATS BYX	Regulated Market	BATY
CHX (Chicago)	Regulated Market	XCHI
BATS EDGA	Regulated Market	EDGA
BATS EDGX	Regulated Market	EDGX
Nasdaq BX	Regulated Market	XBOS
Nasdaq PSX	Regulated Market	XPSX
Nasdaq	Regulated Market	XN
IEX	Regulated Market	IEX
Credit Suisse Crossfinder	MTF	CAES
Deutsche Bank SuperX	MTF	DBSX
ITG Posit ATS	MTF	ITGI
Convergex Millenium	MTF	NYFX
UBS ATS	MTF	UBSA
ITG Posit Conditional	MTF	ITGI
LiquidNet H2O Conditional	MTF	LIUS
Citadel Connect	Market Maker	CDED
KCG Knight Link	Market Maker	KNLI
NYSE National	Regulated Market	XCIS
LiquidNet H2O	MTF	LIUS
BAML InstinctX	MTF	BAML
Citadel	Market Maker	CDED
CODA Markets (formerly PDQ)	MTF	PDQX
GoldmanSachs Sigma X2	MTF	SGMT
J.P. Morgan JPM-X	MTF	JPMX

J.P. Morgan JPB-X	MTF	JPBX
Morgan Stanley MS Pool	MTF	MSPL
Virtu MatchIt	MTF	VFMI
<b>European Union</b>		
Primary Exchange	Regulated Market	Depends on the country
Chi-x	Regulated Market	Depends on the country
Turquoise	Regulated Market	Depends on the country
Citi Dark Pool	Regulated Market	Depends on the country
BATS	Regulated Market	Depends on the country
Aquis	Regulated Market	Depends on the country
Sigma X	MTF	Depends on the country
UBS MTF	MTF	Depends on the country
<b>Russia</b>		
Moscow Stock Exchange	Regulated Market	MISX
<b>Other Countries</b>		
Primary Exchange	Regulated Market	Depends on the country

<b>Debt Instruments</b>		
<b>Russia</b>		
<b>Execution Venue</b>	<b>Type</b>	<b>MIC Code</b>
Moscow Exchange	Regulated Market	MISX