

## Evaluation of the quality obtained from the top 5 brokers used by Alfa Capital Holdings (Cyprus) Ltd in respect of equities

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The below report, RTS 28, is a summary of the analysis and conclusions of Alfa Capital Holdings (Cyprus) Limited (hereinafter “ACC” or “the company”) of the execution quality obtained by the top 5 brokers the company used to execute its client orders, in the previous year, in terms of trading volumes, in respect of equities. This report should be read in conjunction with the “Best Execution Analysis” table.

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In accordance with our Best Execution Policy and the new obligations under MiFID II, Alfa Capital Holdings (Cyprus) Limited takes “all sufficient steps” to obtain the best possible result for its clients when executing orders on their behalf.

With the above in mind, for each financial instrument that the company executed on behalf of its clients, it considered what the best venue for executing the order was. Where ACC did not have direct access to a venue or where ACC otherwise deem it appropriate, the company executed orders through a third party broker or a related party (entity within the same group). The company has access to all global execution venues via our approved third-party brokers and a related party. All brokers used by the company are authorized and regulated by their national component authorities and have passed our selection process and compliance checks.

In these instances, the company monitored the executions with its brokers to ensure that they provided an appropriate standard of execution in the relevant market, taking into account the below execution factors and criteria:

- 1. Price:** a broker that provides, or is likely to provide, consistent trading opportunities at better prices than others do;
- 2. Costs:** these relate to commissions, costs and the fees that are charged for executing clients order, including cost of clearing and settlement;
- 3. Likelihood of execution:** a broker that provides, or is likely to provide, consistent trading opportunities in terms of increased volumes at the same price and time;
- 4. Likelihood of settlement:** a broker that uses central counterparty (“CCPs”) for the settlement of transactions. Brokers that use CCPs are considered low risk in settlement



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terms and offer near certainty in the settlement of executed transactions. Brokers without CCP arrangements will be assessed in terms of credit and operational risks;

**5. Market models:** brokers are assessed on their trading models, including matching and allocation logic, as well as their rules and procedures;

**6. Reliability and operational resilience:** a broker is assessed on their reliability and operational resilience, both from a trading and post-trade perspective. The reliability is also assessed in terms of reputation and good standing (i.e creditworthiness, sanctions from regulators, etc.);

**7. Quality of execution and service:** a broker that provides, or is likely to provide, the best quality of execution (historical and current);

**9. Access to alternative markets:** a broker that gives, or is likely to give, wide access to international markets in almost all asset classes;

**10. Responsiveness to any requests/complaints and willingness to correct such errors**

**11. Speed of execution:** speed of execution is relatively similar in modern electronic markets ;

**12. Technological infrastructure and capabilities:** technological infrastructure is relatively similar in modern electronic markets

The company prioritizes the execution factors typically taking into account the following execution criteria:

- The characteristics and nature of the order such as benchmark, strategy, aggressively/passivity;
- The characteristics of the Client;
- The characteristics of the financial instruments that are the subject of the order; and
- The characteristics of the execution venues to which that order can be directed
- Any other circumstance that ACC may deem to be relevant for the execution

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.



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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.

To access the quality of execution, the company took all necessary measures to ensure the prices used are the most appropriate for the type of orders being received. The company compared the given price with data that gathered from the primary exchange venue, another venue that has sufficient liquidity to consistently reflect the market price. Moreover, the company applies its professional and collective experience to access the quality of execution. The continuous broker control did not reveal any abnormalities and no changes were made in the broker selection.

During the reporting period, the company did not receive any remuneration, discount or non-monetary benefit for transmitting Client orders to a broker, which would infringe any conflicts of interest or inducement requirements under MiFID II.

The company has no close links, conflicts of interest, and common ownerships with the majority of brokers. However, in regards Russian equities the company transmits the client orders for execution to a related party. In this case, the company ensures that the quality of execution offered to its clients has no negative impact. The related party was selected because it allows the company to deliver the best possible result to its clients on a consistent basis.

In the view of the above and MiFID's II requirements, the company deems that the selection of the brokers was appropriate given the characteristics of the orders and market circumstance. Moreover, ACC considers that all execution factors and criteria outlined therein were considered and satisfied. The company's top five brokers enabled ACC to have access to all global execution venues and to take full advantage of liquidity. In addition, during the reporting period, the brokers were able to provide an appropriate standard of execution in the relevant market and the intended outcome was achieved on a consistent basis.