

Evaluation of the quality obtained from the execution venues used by Alfa Capital Holdings Limited in respect of fixed income

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 execution venues the company used to execute its client orders, in the previous year, in terms of trading volumes, in respect of fixed income. This report should be read in conjunction with the “Best Execution Analysis” table.

In accordance with the company’s Best Execution Policy and the new obligations under MiFID II, ACC takes “all sufficient steps” to obtain the best possible result for its clients when executing their orders.

With the above in mind, for each financial instrument the company executes on behalf of its Clients, ACC considered what the best venue for executing the order was. In regards to fixed income, the company used a single execution venue, Bloomberg MTF. Bloomberg Trading Facility Limited is authorised by the UK financial Conduct Authority (hereinafter “FCA”) to operate a multilateral trading facility- Bloomberg MTF.

In order to achieve the best possible result for client order the company took into consideration the below execution factors and criteria:

- 1. Price:** a venue that provides, or is likely to provide, consistent trading opportunities at better prices than other execution venues or OTC or other entities for execution;
- 2. Costs:** these relate to commissions, costs and the fees that are charged for executing clients order;
- 3. Likelihood of execution:** a venue 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 venue that uses central counterparty (“CCPs”) for the settlement of transactions. Execution Venues that use CCPs are considered low risk in settlement terms and offer near certainty in the settlement of executed transactions. Venues without CCP arrangements will be assessed in terms of credit and operational risks;
- 5. Market models:** execution venues are assessed on their trading models, including matching and allocation logic, as well as their rules and the type of trading participants. In the light of the above, LSE allowed us to achieve best execution on a consistent basis;
- 6. Reliability and operational resilience:** a venue is assessed on their reliability and operational resilience, both from a trading and post-trade perspective;
- 7. Speed of execution:** speed of execution within venues is relatively similar in modern electronic markets

The company prioritizes the execution factors typically taking into account the following 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;
- The characteristics of the execution venues to which that order can be directed; and
- 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.

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. .

Under MiFID II requirements the company did not “over-relied “on the use of a single execution venue. The company in accordance of Article 24(1) of MiFID II regularly assessed the market landscape to determine whether or not there are alternative venues that it could use, or by transmitting client orders instead of execute them itself would deliver a better result for its clients. Moreover, the company applies its professional and collective experience to access the quality of execution. The RTS 271 report, once available, will be used to evaluate execution venues, and any other relevant source of data.

During the reporting period, the company did not receive any remuneration, discount or non-monetary benefit for routing Client orders to an Execution Venue, which would infringe any conflicts of interest or inducement requirements under MiFID II. In addition, the company has no close links, conflicts of interest, and common ownerships with respect to the execution venue.

In the view of the above and MiFID’s II requirements, ACC deems that all execution factors and criteria outlined therein were considered and satisfied. The particular execution venue enabled the company to take full advantage of the market price and liquidity. In addition, ACC considers that during the reporting period the execution venue provided an appropriate standard of execution in the relevant market and the intended outcome was achieved on a consistence basis.

¹ RTS27 refers to the regulatory technical standards under Article 27(10)(a) of MiFID II adopted by the EC on 08/08/2016, Commission Delegated Regulation (EU)2017/575