

EXECUTION QUALITY SUMMARY STATEMENT FOR 2023

Update Date: Jan 2023

EXECUTION
SUMMARY

1. INTRODUCTION

Royal Financial Trading (Cy) Ltd (hereinafter referred to as the 'Company')

Royal Financial Trading (Cy) Ltd is incorporated in the Republic of Cyprus with Certificate of Incorporation No. HE 349061. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission ('CySEC'), with a license No. 312/16 and operates under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law of 2017, Law 87(I)/2017, as subsequently amended from time to time (the Law). The Company's head office is located at 152 Franklin Roosevelt Avenue, Limassol, 3045, Cyprus.

The information above contains a summary of the analysis and conclusions that the company has drawn from its monitoring of the quality of execution obtained on the execution venues where it has executed client orders in 2023.

2. SCOPE

Under the Markets in Financial Instruments Directive 2014/65/EU ("MiFID II") the Company owes to all clients' orders the duty of best execution. For a more detailed breakdown of the asset classes the company owes a duty for best execution, please refer to the Order Execution Policy.

3. SUMMARY OF INFORMATION - CONTRACTS FOR DIFFERENCE ("CFDS")

a) Quality Assessment of Execution.

In selecting the appropriate Execution Venue for a specific transaction, the company considers the following execution factors:

The company takes into account the following criteria when determining the relative importance of the abovementioned execution factors:

- characteristics of the client;
- characteristics of the client's order (e.g. market, limit, stop);
- characteristics of the financial instrument(s) (e.g. commodity, currency, fixed income, equity);
- characteristics of the Execution Venues to which the order can be directed.

In general, the company considers price and cost as being the most important execution factors when seeking to obtain the best possible outcome for clients. However, in certain circumstances the company may decide in its absolute discretion that the other factors mentioned above are more important than price and cost.

b) Close Links with Execution Venues.

The company clears and executes clients' orders with ROYAL FINANCIAL TRADING PTY an Australian Broker, regulated by ASIC, which is a sister company and thus is considered to have a close link with the company.

c) Specific arrangements with any execution venues.

Under the company's Order Execution Policy, we will not receive any remuneration, discount or non-monetary benefit for routing orders to a particular Execution Venue as this could give rise to a conflict of interest between the benefit received by the company and its obligation to achieve the most favorable terms for the client.

d) Factors regarding changes in the execution venues list.

There were no changes to the execution venues listed in the Order Execution Policy during 2020.

e) Best Offering Execution based on clients' categorization.

The company provides investment services to retail clients. The execution venue will apply Best Execution to transactions with Retail and Professional Clients dealing in Financial Instruments where it accepts an order or where it has expressly agreed to provide Best Execution. The company's Order Execution Policy does not apply to Eligible Counterparties; accordingly, the execution venue will not owe Best Execution in transactions entered into with Eligible Counterparties. However, this does not diminish the obligation of the execution venue to act honestly, fairly and professionally and to communicate in a way that is fair, clear and not misleading when dealing with Eligible Counterparties.

f) Other factors that may be of stronger importance than Price and Cost with respect to Clients' order execution.

4. SPEED OF EXECUTION

The Company acts as agent on the Customer's behalf; The Company's execution venue places a significant importance when executing Customer's orders and strives to offer a high speed of execution within the limitations of technology and communication links. The use of wireless connection or dial-up connection or any other form of unstable connection at the Customer's end, may result in poor or interrupted connectivity or lack of signal strength causing delays in the transmission of data between the Customer and the execution venue when using the electronic trading platform. This may result in the placement of the Customer's order at an out of date price, which the Company might decline and provide the Customer with a new quote (i.e. re-quoting).

5. LIKELIHOOD OF EXECUTION

The Company acts as an agent on the Customer's behalf; therefore, the Company relies on third party liquidity providers for prices and available liquidity. Although the execution venue executes all orders placed by the Customers, it reserves the right to decline an order of any type. The execution venue shall proceed to a settlement of all transactions upon execution of such transactions.

6. SIZE OF ORDER

All orders are placed in lot sizes. A lot is a unit measuring the transaction amount and it is different for each Financial Instrument. Details of the lot sizes are available on the Contract Specifications in the Company's website. Although there is no maximum order size that the Customer can place with the Company, the Company reserves the right to decline an order as explained in the agreement entered into with the Customer.

The Company makes every effort to fill the order of the Customer irrespective of the volume. But, if this is achieved, it may be at the best available price as the market liquidity may allow at the time of execution.

a) Execution Quality Monitoring Process

In order to effectively implement a robust Best Execution compliance program, the Company monitors the quality of execution of client orders through various data and tools. The Company has implemented the following execution quality:

- Real time monitoring of execution and Execution Venue performance through a bridge provider.
- Regular independent reviews of execution quality arrangements and operating effectiveness of the monitoring.
- Periodic internal audit of the execution quality arrangements under Stage 1 and Stage 2 that aims to enhance the oversight of the Company's control environment.
- The goal is to ensure that clients are provided with the best possible results for their orders. To this end, the Company intends to conduct quarterly reviews of the fairness of the price provided to the client by gathering market data used in the estimation of the price of the products and comparing with similar or comparable products.