

Order Handling and Best Execution Policy

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1. INTRODUCTION

CT Capitaltraders Ltd (“**CTCAP**” or “the Company”) is authorised by the Cyprus Securities & Exchange Commission (“**CySEC**”) under number 425/23 to offer financial services.

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 (“**CTCAP**” 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 CTCAP 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.

Furthermore, CTCAP 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 CTCAP.

In this respect CTCAP 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 POLICY

The purpose of this Policy is to describe the factors and processes that the Company 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. Additionally, 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 CTCAP.

3. ABBREVIATIONS

Term	Abbreviation
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



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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

Term	Definition
Client	Client means any natural or legal person to whom an investment firm provides investment or ancillary services.
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
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);

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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 Facility. ("OTF")	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, 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 MiFID II
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

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	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 SERVICES

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:



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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 the Company 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, the Company 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 CTCAP 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 CTCAP 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 where the activity is taking place on an agency basis.

5.2 PRODUCTS

The Company’s obligations under this Policy relate to relevant MiFID II business conducted in relation to Client orders for Financial Instruments listed in Appendix 1 of this Policy (“Financial Instruments”).

5.3 CLIENTS

This Policy applies to Professional Clients. This Policy does not apply in the following cases:

Where the Client is classified as an Eligible Counterparty;

Where the Client order concerns a specific class of Financial Instrument (as defined in Appendix 1 of this document) in respect of which CTCAP 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



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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.

For Professional Clients, the Company will follow some general rules (the Four Fold Cumulative Test as presented in Appendix 2) published by the European Commission in order to determine whether the Client is placing legitimate reliance, which includes:

- which party initiates the transaction (e.g. where Clients initiate the transaction it is less likely that they are placing legitimate reliance on the Company);
- the market practice and the existence of a convention for Clients to “shop around” (e.g. 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 the Company);
- the relative levels of price transparency within the market (e.g. if pricing information is transparent and accessible to the Client, it is less likely that Clients will be placing legitimate reliance on the Company); and
- the information provided by the Company about its services and the terms of agreement reached between the Client and the Company (e.g. where the Company and the Client reach an understanding that the Client is not placing legitimate reliance on the Company).

5.5 SPECIFIC CLIENTS 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, the Company’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 CTCAP 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, CTCAP 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

In line with the MiFID II framework, the Company 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



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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 the Company 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.

6.1 EXECUTION FACTORS

Unless the Client gives the Company specific instructions, the Company will use its own discretion to determine the execution factors to take into account with a view to achieving the best possible result for the Client. The Company will seek to tailor the factors that it considers in order to provide best execution and act in the best interest for orders, drawing on its 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.

6.2 EXECUTION CRITERIA

In considering the application of best execution / best interest to the Client order, the Brokerage Trader will consider the relative importance of the execution factors by reference to the following criteria in order to provide Clients the best possible result for the client order:

- the characteristics of the Client, including the categorisation of the Client as Professional;
- the characteristics of the Client order, including where the order involves a securities financing



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transaction(“SFT”);

- the characteristics of the Financial Instrument that are subject of that order; and
 - the characteristics of the Execution Venues or Brokers to which that order can be directed.
- Subject to Client specific instructions, the Company will consider the total consideration payable by the Client as an appropriate concept to deploy in determining how to obtain the best possible result for the Client. Total consideration is defined as 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.

6.3 EXECUTION COSTS

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

6.4 TRANSPARENCY OF PRICING

In executing Client orders the Company does not receive any remuneration, discount or non-monetary benefit for routing Client orders to a Trading or Execution Venue/Broker which would infringe any conflicts of interest or inducement requirements under the MiFID II framework. However, and in case 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.

The Company 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 CTCAP 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.

When executing orders or taking decisions to deal in OTC products, including bespoke products, the Company 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.

7. EXECUTION VENUES AND BROKERS STRATEGY

For purposes of MiFID II framework, Execution Venues include 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.



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The Company 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 CTCAP has discretion over the choice of Execution Venue or broker. The list of approved Execution Venues and Brokers on which CTCAP places significant reliance per class of Financial Instrument is provided in **Appendix 3 of this Policy**

The Company will ensure that the Brokers with which orders are placed, or to which the Company transmits orders for execution, have arrangements in place that enable the Company to comply with its obligations under the MiFID II framework. CTCAP has arrangements in place that require its Brokers to provide a level of best execution compatible with the best execution requirements under MiFID II, although their approach to best execution may vary from this Policy. These arrangements are being monitored by the Company.

The Company will not structure or change its commission in such a way as to discriminate unfairly between Execution Venues. CTCAP will keep a record of, and review, differences in commissions under review in order to ensure that such payments due from the Client are proportional to actual venue costs.

Should different fees apply depending on the Execution Venue/broker, CTCAP 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.

The Company does not invite Clients to choose an Execution Venue/Broker. However, in cases where the Company may invite a Client to choose an Execution Venue or Broker, fair, clear and not misleading information will be provided to prevent the Client from choosing one Execution Venue/Broker over another, solely on the basis of the price policy applied by the Company.

In certain cases, and subject to any Client specific instructions, the Company may use an Execution Venue or Broker which is a connected party or is outside of the European Economic Area (“EEA”). Such cases do not remove the best execution/best interest obligation to the Client. If the Execution Venue or Broker is not subject to similar regulatory requirements, the Company will ensure that the other party has policies and arrangements in place that to enable the Company to comply with its best execution/best interest obligation.

7.1 ACCEPTANCE OF ORDERS

Client transmits his order through phone. The conversation with the Client is being recorded, as per the MiFID’s II obligations. The Client is being notified of the fact that his conversation will be recorded. The Brokerage Trader has a responsibility to check through the Company’s client management system, whether the Client is using the phone number provided to the Company at the time of initiating the business relationship with the Company. In addition, the Brokerage Trader needs to establish the identity of the person who has given the order. Once the verification of the Client is performed successfully, the Brokerage Trader records the order in the “order register” maintained by the Brokerage Trader and



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proceed with the order's execution.

Client transmits his order through email or fax. Brokerage Trader needs to confirm through the Company's client management system the email address or fax number from which the Client sent his order, whether it's the same provided by the Client during the establishment of the relationship with the Company. Once the said information is confirmed, the Brokerage Trader records the order in the "order register" maintained by the Brokerage Trader and proceed with the order's execution.

7.2 EXECUTION OF CLIENTS' ORDERS

Upon reception of the Client order the Brokerage Trader investigates the available venues for the execution of the Client order. Trading in stock exchanges is executed through a Broker in accordance with a Brokerage Agreement. Trader sends the relevant instruction to the Broker using the form agreed with the Broker or email. Following the execution of the transactions, the Broker sends a confirmation of executed transactions to the Brokerage trader. Upon execution of the trade, the Back Office department will proceed with the settlement.

The Company does not have direct access to Regulated Markets and the orders are processed through Brokers. Unless the Client instructs otherwise, the Brokerage Trader deals only with preliminary analyzed/approved counterparties/Brokers (taking into consideration restrictions on maximum order size with each particular Broker) thus maximizing the likelihood of execution and settlement. For specific instruments the Trader might consider contacting Brokers who specialize in trading that kind of instruments.

7.3 EXECUTING OR PLACING ORDERS OUTSIDE A TRADING VENUE

Provided that the Company has obtained prior express consent from Clients, it may execute some orders outside a Trading Venue. It is noted that by executing an order outside a Trading Venue, the Client may be exposed to additional risks. For example, the transaction 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. Upon Client request additional information about the consequences may be provided.

7.4 SINGLE EXECUTION VENUE

In certain cases, the Company may use a single Execution Venue/Broker when executing or transmit Client orders. A single Execution Venue/Broker will be used only where the Company is able to demonstrate that such a choice provides the best possible results for its Clients on a consistent basis.

For purposes of complying with the requirement to act in the best interest of its Clients, the Company, through its Brokerage Trader, will regularly assess the market landscape in order to determine whether there are alternative venues/Brokers that could be used. The Company will use information available by Execution Venues/Brokers on trading conditions and quality of execution or any other relevant source of data. The Company will carry out specific analysis in order to determine whether another suitable venue/entity exists, should such a need arise.

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7.5 EXECUTING OR PLACING ORDERS OUTSIDE A TRADING VENUE

CTCAP 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.

7.6 EXECUTION ARRANGEMENTS INVOLVING CONNECTED PARTIES

In the case where the Company is executing Client orders with connected party (e.g. entity within the same group), and in the case of CTCAP is dealing on own account that execute hedge trades with a connected party, which could impact the quality of the execution offered by the Company to its Client, CTCAP will remain responsible for delivering best execution and best interest to its Clients. In particular, CTCAP 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. SELECTION PROCESS AND ASSESSMENT OF EXECUTION VENUES AND BROKERS

SELECTION

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:

1. Availability of best pricing for a specific Financial Instrument and liquidity of the Execution Venue or broker;
2. Cost of clearing and settlement;
3. Speed and likelihood of execution (e.g. fill rates);



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4. Size;
5. Reliability of the Execution Venue and broker 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 and broker;
11. Circuit breakers;
12. Quality of any related clearing and settlement facilities;
13. Access to alternative markets;
14. Responsiveness to any requests/complaints and willingness to correct such errors;
15. Financial solvency of the entity; and
16. Any other relevant factor.

The selection process for Execution Venues and Brokers is performed by the Company's Executive Management (General Manager and Risk Manager), following a recommendation and analysis made by the Brokerage trader.

ASSESSMENT

The Company will monitor on a regular basis, the execution quality of the Execution Venues and Brokers included in this Policy, and where appropriate, correct any deficiencies. In particular, the Company assess whether the Execution Venues and Brokers included in this Policy provide the best possible result for the Client and, whether appropriate, correct any deficiencies.

As part of this assessment, the Company will consider, amongst others, information to be published or made available by Execution Venues and Brokers on trading conditions and quality of execution (e.g. volume, frequency of trading, resilience or execution price related information). The Company will also consider the market landscape, the emergence of new market players, venue functionalities or execution services, as well as the criteria used for the selection of Execution Venues and Brokers.

The Company will summarize and make public, for each class of Financial Instrument information on the quality obtained from Execution Venues/Brokers. For more information please refer to Section [11](#) "Public Reporting Requirements" of this Policy.



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The above assessment and monitoring is performed by the Brokerage Trader. Information in relation to the quality received from Execution Venues/Brokers, is being collected, assessed and published by the Company's Compliance/AML Officer.

9. 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.

10. TRADING OBLIGATION IN SHARES AND DERIVATIVES

The Company will ensure that all transactions it undertakes in shares are admitted to trading on a RM or traded on a Trading Venue, such transactions shall take place on a RM, MTF, or SI, or a third-country Trading Venue assessed as equivalent in accordance with the applicable provisions of MiFID II, unless the characteristics of such shares 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.

The Company 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.

11. CLIENT ORDER HANDLING AND ALLOCATION POLICY

11.1 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.



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When CTCAP is responsible for overseeing or arranging the settlement of an executed order, CTCAP 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.

The Company 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.

11.2 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.

11.3 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;
- 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;
- 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.



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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, CTCAP will allocate trades to the Client in priority to CTCAP's proprietary orders (not in a way that is detrimental to a Client), unless CTCAP is able to demonstrate on reasonable grounds that CTCAP 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.

12. REVIEW, ASSESSMENT, AND MONITORING

12.1 GENERAL

CTCAP 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.

12.2 REVIEW OF THE POLICY

CTCAP's senior management and Compliance function 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 CTCAP'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 CTCAP and included in this Policy.

CTCAP will assess whether a material change has occurred, and in such a case, CTCAP 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;



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- 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.

12.3. REVIEW AND MONITORING THE EFFECTIVENESS OF ARRANGEMENTS AND EXECUTION QUALITY

CTCAP 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 CTCAP 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 CTCAP'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 CTCAP and included in this Policy.

CTCAP 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, CTCAP will assess whether it needs to make any changes to such arrangements.

In taking all sufficient steps, CTCAP 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:

- 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.
- 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;
- Sample testing per class of Financial Instrument in order to determine whether the Company has correctly applied this Policy,



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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 signification 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.

12.4. REVIEW AND MONITORING OF TRANSACTIONS AND PRICING METHODOLOGY

CTCAP 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. CTCAP will review its arrangements, including price sources, on at least an annual basis.

Furthermore, CTCAP 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 CTCAP 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.

13. CONFLICTS OF INTEREST

For further information, relating to the identification, prevention and management of conflicts of interest, please refer to the Company’s Conflicts of Interest Policy which is available on the Company’s website.

14. PUBLIC REPORTING REQUIREMENTS



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14.1. 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/>.

14.2. 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/>.

15. REQUEST 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.

16. CONSENT

14.3. 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 CTCAP to execute any transaction in Financial Instruments.

14.4. CONSENT FOR EXECUTING ORDERS OUTSIDE A TRADING VENUE

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

17. COMMUNICATION



ATHALASSAS, 62
MEZZANINE STROVOLOS,
2012, NICOSIA, CYPRUS

WEB: CTCAP.EU
TEL.: 00357 25 355 388
FAX: 00357 25 355 380

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Should the Client believe that CTCAP has failed to apply this Policy to one of the Client orders, the Client may make a written request to CTCAP for an explanation of how this Policy was applied to the specific order, including details of how CTCAP 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@ctcap.eu. CTCAP will then try to resolve the complaint in accordance with its internal procedure for dealing with Clients complaints.

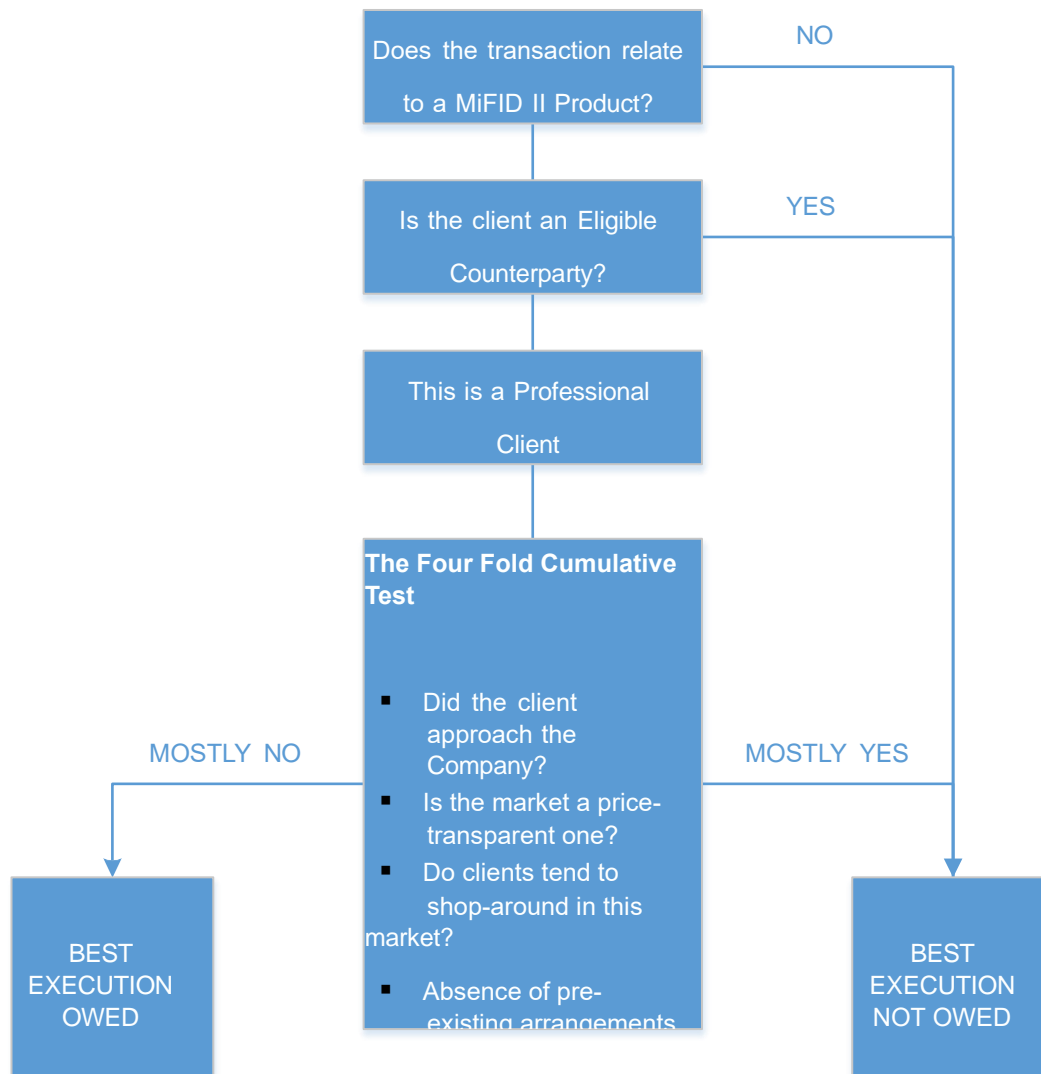


Appendix 1 – Type of Financial Instruments in scope of MiFID II

The following are the 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 a 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 not otherwise mentioned in point 6 above of this Appendix 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 a default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this 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 recognized for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme).

Appendix 2 – Best Execution Decision Tree



Appendix 3 – List of Execution Venues and Brokers

This is a non-exhaustive list of the main Execution Venues and Brokers used by the Company in order to comply with MiFID II requirements. This list will be reviewed and updated in line with this Policy. The Company may use other Execution Venues or Brokers where appropriate.

PROFESSIONAL CLIENTS:

Class of Financial Instrument	Financial Instrument/Product Type	Name of Entity	Execution Venue/Broker
EQUITIES	Shares Depository Receipts (ADRs, GDRs)	Roemer Capital (Europe) Limited	Execution Broker
DEBT INSTRUMENTS	Bonds	Roemer Capital (Europe) Limited	Execution Broker

SECURITIES FINANCING TRANSACTIONS:

Name of Entity	Capacity (e.g. execution venue/broker)
CT Capitaltraders Ltd	Own Funds