

BEST EXECUTION POLICY

1. Introduction

1.1. This Summary Best Interest and Order Execution Policy (“the Policy”) is provided to you (our Client or prospective Client) following the implementation of the Markets in Financial Instruments Directive 2014/65/EU (“MiFID II”) and in accordance with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017 (the “Law”), as subsequently amended from time to time (“the Law”). Pursuant to the Law, ELIDI Securities Ltd (“the Company”, “we”) is required to take all reasonable steps to act in the best interest of its Clients and to achieve the best execution results when executing Client Orders and to comply with the principles set out in the Law when providing investment services.

1.2. The Policy describes the way that the Company will achieve the best possible results for its clients by taking into consideration the provisions of the Delegated Regulation (EU) 2017/565 and onward amendments including information that must be provided to clients and potential clients in relation to the execution criteria and factors considered when trying to obtain best possible results on a consistent basis.

2. Scope

2.1. The Policy applies to both Retail and Professional Clients when providing investment services and do not extend to Eligible Counterparties, as per Article 30(1) of MiFID II. The Company in order to satisfy its obligation to provide best execution it must consider execution factors. This overarching obligation to obtain the best possible result for clients is referred to as Company’s Best Execution obligation.

2.2. Best Execution is only owed when the Company accepts an order to execute a transaction on behalf of the Client or in other circumstances where it has otherwise expressly agreed to accept such Best Execution obligation.

2.3. When Company negotiates a price on behalf of its Clients, on request, the Best Execution obligation shall apply where the Client is relying on the Company to obtain best execution.

2.4. Moreover, the Policy is limited when the Company receives specific client instructions, as provided in section 6 of this Policy.

3. Placement and cancellation of orders and trading hours

The client may open/close positions during the trading hours of the market of the financial instrument/underlying asset and subject to the relevant market being made available by the Company for trading.

The client may be able to place orders outside of the trading hours in which the relevant market is open for trading and this will be executed once the relevant market opens. The Company may restrict or suspend or cancel a client’s ability to trade for the purposes of preventing a breach of the applicable laws and regulations or the terms specified in the Client Agreement, where the client does not have sufficient funds or margin for effecting the relevant transaction.

Any updates of positions that are opened during normal trading hours but are kept open beyond our indicated trading hours will be halt until trading is resumed within our trading hours.

The Client can place orders via the following means:

- a) By email (from an authorized email address to orders@elidi.capital),
- b) In person (the original of the order is presented), and/or
- c) In Bloomberg chat.

4. Best Execution factors and Criteria

4.1. When executing orders on behalf of clients in relation to Financial Instruments, the Company will take all reasonable steps to achieve Best Execution. Company has in place policies and processes which are designed to obtain the best possible execution result on a constant basis, subject to and considering the Financial Instrument subject to the order, the nature of the order, the execution venues available to the Company for such Financial Instruments and the priorities the client places upon the Company executing those orders. For the avoidance of doubt, an order is an instruction to buy or sell a financial instrument which is offered by the Company for execution or onward transmission to an executing broker and which gives rise to contractual or agency obligations to the client. Implicit in the instruction received, will be the understanding that the client is relying on the Company to protect its interests in relation to the pricing or other aspects of the transaction that may be affected by how the Company or the entity to which the order is transmitted executes the order.

4.2. The Company will generally give a higher relative importance in price when obtaining the best possible result for orders executed on behalf of the Client. However, the Company, may also take into consideration a range of different factors, including the need for timely execution, the availability of price improvement, the liquidity of the market (which may make it difficult to execute an order), potential price impact on the market, the size of the order, the nature of the financial transaction (including whether or not such transactions are executable on a regulated market, over-the-counter, or both) and the quality and cost effectiveness of any related clearing and settlement facilities. The Company will determine the importance of the execution factors by using its commercial judgement and experience considering the market information available to it, in support of the best possible outcome for its clients.

4.3. Subject to any specific client instruction, the factors taken into account when executing client orders by the Company are:

- Price
- Size of the order
- Nature of the order
- Speed of execution
- Costs (direct or indirect)
- Likelihood of execution and settlements (liquidity)
- Type and Characteristics of the possible execution venues
- Any other consideration to the execution of the order

4.4. When executing client orders, the Company considers the following criteria for determining the relative importance of the Best Execution Factors referred in clause 3 above:

- a) The characteristics of the Client including the categorization of the client as retail or professional;
- b) The characteristics of the Client's Order;
- c) The characteristics of the Financial Instruments that are the subject of that Order;
- d) The characteristics of the Execution Venue to which that Order is directed;

4.5. The Company determines the relative importance it assigns, in accordance with the abovementioned criteria, to the Best Execution Factors by using its commercial judgment and experience considering the information available on the market and taking into account the remarks above. The relative importance of the execution factors considered by the Company to obtain the best possible results for its Clients are depicted in **Annex 1** of the Policy.

4.6. The Company's execution obligations will be discharged in a manner that considers the different circumstances associated with the execution of the order as they relate to the financial instruments involved.

4.7. Where the Company executes an order on behalf of a Retail Client, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which shall include all expenses incurred by the Client which are directly related to the execution of the Order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the Order.

4.8. For the purposes of delivering best execution where there is more than one competing Execution Venue to execute an Order, to assess and compare the results for the Client that would be achieved by executing the Order on each of the execution venue that is capable of executing that Order, the Company's own commissions and costs for executing the order on each of the eligible execution venue shall be taken into account in that assessment. The Company shall not structure or charge commissions in such a way as to discriminate unfairly between execution venues.

5. Order Types

5.1. Execution Policy includes orders types accepted by the Company, for each Financial Instrument in which the Company executes orders on behalf of its clients, those types are considered to enable us to obtain on a consistent basis Best Execution. Order types define the duration of an order and execution time:

- Good 'Til Cancelled (GTC)
- All Or None (AON)
- Partial Fill (PF)

5.2 GTC – An order placed with no expiration date or defined duration and remains active until fully executed. For GTC orders the Company has set a default duration of one (1) day and if not fully executed will be cancelled by the Company.

5.4 AON – An order placed under execution status AON will only be executed fully when a favourable price is found during the period defined from points 5.2.

5.4 PF – An order placed under execution status PF will be executed partially when a favourable price is found during the period defined from points 5.2 until fully executed.

6. Client's Specific Instruction

6.1. Whenever there is a specific instruction from or on behalf of a Client, relating to an Order or the specific aspect of an Order, and the Company has accepted the instructions, then the Company shall arrange – to the extent possible – for the execution of the Client Order strictly in accordance with the specific instruction, according to Article 27(1) of MiFID II.

WARNING: It is noted that any specific instructions from a Client may prevent the Company from taking the steps that it has designed and implemented in this Policy to obtain the best possible result for the execution of those Orders in respect of the elements covered by those instructions. However, it shall be considered that the Company satisfies its obligation to take all reasonable steps to obtain the best possible result for the Client only in respect of the part or aspect of the order to which the Client's instructions relate. In this regard, the fact that the Client has given specific instructions which cover one part or aspect of the order should not be treaded as releasing the Company from its best execution obligations in respect of any other parts or aspects of the Client's order that are not covered by such instructions.

6.2. Trading rules for specific markets or market conditions may prevent the Company from following certain of the Client's instructions.

6.3. Where a client privately negotiates a trade with a third-party and asks the Company to register both sides of the trade on a regulated market, the Company will not owe any Best Execution obligations to the client. Where a client asks the Company to find a buyer or seller to a block trade, where the client has determined the financial instrument, size and price, Company's role is limited to finding a buyer or seller on terms defined by the client and registering the trade on a regulated market.

6.4. The Company will not induce a Client to instruct it to execute an order in a particular way, by expressly indicating or implicitly suggesting the content of the instruction to the Client.

7. Order Handling

7.1. The Company will take all reasonable steps to execute client orders in a prompt, fair, and expeditious manner relative to other client orders. Company will execute comparable client orders sequentially in accordance with the time of their reception unless otherwise instructed by the client; or the characteristics of the client order or prevailing market make this impracticable. In addition, the Company will inform retail Clients about any material difficulty relevant to the proper carrying out of order promptly upon becoming aware of the difficulty.

7.2. Where comparable orders are received, they will be processed sequentially, unless a specific client seeks to be treated otherwise. The Company will disclose any inducements and fees related to the use of execution venues to Clients.

8. Order Aggregation

8.1. To carry out a client order in aggregation with either another Client order, the Company will ensure the following requirements are met:

- a) The client has been made aware that aggregation may, in some cases, result in obtaining a less favourable price than if the order were executed separately,
- b) The Company, in its sole discretion and under prevailing market conditions, does reasonably believe that such action is likely to be within the client's best interests and the Company is able to demonstrate this,
- c) The decision to aggregate and, if necessary, reallocate will be made in accordance with any client instructions, having regard to price and volume and allocated accordingly,
- d) In the case where the Company is given a proportionate or pro-rated allocation, it will be able to demonstrate that it could not otherwise have executed the order on such favourable terms or at all, without its own participation.

8.2. Client orders will only be carried out in aggregation with another client order if:

- the order is executed on a venue where order aggregation is allowed;
- it is unlikely that the relevant aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated; and
- it has been previously disclosed to a client that their orders may be aggregated and that the effect of aggregation may work to its disadvantage in relation to a particular order.

8.3. The Company will allocate trades promptly and fairly. Because of an order being aggregated, it may be carried out in the form of a block trade where permitted by the venue.

8.4. Where the Company aggregates an order with one or more other client orders and the aggregated order is partially executed, it shall allocate the related trades in accordance with its order allocation policy.

9. Reception and Transmission of Orders

9.1. Subject to any specific instructions from the client (as per paragraph 6), the Company will transmit an order it receives from the client to an associated entity, such as a third-party broker, for execution. In doing so, the Company shall act in the client's best interests and will comply with section 5 above.

9.2. The Company will review periodically its choice of third-party brokers to ensure that the third-party broker has execution arrangements and execution policy that enable the Company to comply with all its best execution requirements.

9.3. The obligation to provide best execution applies to all types of financial instruments captured under MiFID II and is not based on whether or not the instrument is listed in the European Economic Area. Therefore, the Company will require from third-party brokers to demonstrate that they are providing with best execution on a consistent basis in line with the Policy.

10. Securities

10.1. This policy addresses different classes of instrument for which the Company carries out orders, including but not limited to:

- a) Transferable securities and units in collective investment schemes, for which the Company carries out orders. For the purposes of best investment protection the Company strongly recommends the clients or potential clients qualified under the Law rules as retail customers to enter in the most part into transactions in exchange listed securities the volatility of which is under control of the relevant market regulators. Assessing the risks involved in relation to various financial instruments the Company advises the clients falling within a retail customer category to assume for trading the noncomplex financial instruments, including but not limited to shares and depositary receipts in respect of shares admitted to trading on a regulated market or in an equivalent third country market, money market instruments awarded the highest available credit rating by relevant competent rating agencies, bonds or other forms of securitized debt (excluding those bonds or securitized debt that embed a derivative), UCITS, etc.
- b) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash.

10.2. The Company acting in best interests of the clients suggests to the clients or potential clients who are classified as retail clients under the Law refrain from execution of trades either in exchange tradable vanilla instruments, that is in the most basic or standard version of a derivative instruments admitted to trading on a regulated market or in an equivalent third country market, or in exotic derivative instruments, which alter the components of a traditional derivative instrument, resulting in a more complex security where an additional contingency is added.

10.3. Complexity is a relative term, and depends on the risk-reward profile and other characteristics of the product. The Company generally considers products as “complex” when:

- i. they are derivatives, or embed a derivative; and/or
- ii. they are made up of one or more underlying financial instrument(s) that are difficult to value, or are combined in such a way so as to make it difficult to assess the risks involved and the likely performance scenarios; and/or
- iii. they use more opaque indices that are for example set up by the product manufacturer, rather than using standard market indices; and/or
- iv. have a fixed investment term of a number of years with barriers to exit (that are not clearly explained) - whether that is due to the lack of a secondary market, or significant penalties or losses on early exit; and/or
- v. have returns/pay-off structures involving multiple variables or complex mathematical formulas; and/or
- vi. include capital protection that may be conditional or partial, or that can be withdrawn on the occurrence of certain events.

10.4. The clients are warned that complex financial instruments are not appropriate for all categories of investors and retail clients are requested to seek professional advice before instructing the Company to execute any order in respect of complex financial instruments. The evaluation should assess the intelligibility of the risk-reward profile, the level of leverage, and all the various risk components of the product (including market risk, credit/counterparty risk and liquidity risk).

11. Execution Venues

11.1. In order to give effect to the execution policy the Company selects the execution venues that enable it to obtain on a consistent basis the best possible result for the execution of client orders and decisions to deal in financial instruments listed in Part III of the First Appendix of the Law 87(I)/2017. The execution venues are the sources of liquidity that the Company accesses for each of the financial instruments in respect of which the Company execute client orders. These venues include:

- Regulated markets and other exchanges to which the Company has permanent access (“RM”);
- Multilateral trading facilities operated either by the Company or a third party (“MTF”);
- Organized Trading Facilities (“OTF”);

- Systematic internalisers (“SI”);
- Non-EEA entities performing a similar function to any of the above.

11.2. For the purpose of execution of client orders, the Company acts as an agent on behalf of the Client. A list of the Execution Venues and intermediaries (third party brokers) used by the Company for the execution of client orders in respect to each class of financial instruments can be found below:

Approved Execution Venues:

- ELIDI Securities Ltd
- Bloomberg Trading Facility B.V.

11.3. The aforesaid obligation to take all reasonable steps to obtain the best possible result for the client should not be treated as requiring the Company to include in its execution policy all available execution venues. The Company may therefore place client orders at other execution venues in order to provide best execution and investment protection to its clients.

11.4. The factors relevant to the Company for selecting Execution Venues include the following:

- Soundness of intermediary,
- Reputation, financial strength and stability,
- Access to primary and/or secondary markets,
- Ongoing reliability,
- Overall costs of a trade including commissions, mark-ups, markdowns or spreads,
- Electronic connectivity, and
- Willingness to execute difficult transactions.

11.5. In addition, the following conditions must be met before Execution Venues can be approved:

- Licensed, as required, to execute the type of transaction, and
- Supervision by national authorities.

11.6. The Company reserves the right to use other Execution Venues where deemed appropriate in accordance with the execution policy and may add or remove any Execution Venues from this list.

11.7. There may be situations when we pass an order to another entity of our group or a third-party broker for execution. We may pass an order to an affiliated entity in cases where we do not have the ability to execute the order but the affiliated entity does have that ability, in order to execute orders in financial instruments traded on execution venues where the Company is not a member, we may execute your orders by transmitting them to intermediaries with membership on or access into these marketplaces. The choice of these intermediaries is performed through a continuous evaluation of the intermediaries’ ability to offer quality execution and service. These financial intermediaries are selected by means of an evaluation process that takes into account their ability to offer the best possible result in the execution of orders transmitted to them. In such cases, we have standard procedures and integrated systems for passing orders to our affiliate for execution. Moreover, the Company will ensure that these third parties have an order execution policy enabling the Company to fulfil its general obligation to execute orders on the most favourable terms for its Clients.

11.8. In cases where our affiliate is outside of the EEA and we do not have an entity that can execute the order from within the EEA our non-EEA affiliate may not be subject to requirements similar to the best execution requirements under the Cypriot Law. We may nevertheless execute your order through our affiliate unless either the circumstances require otherwise or you explicitly instruct us otherwise and we are able to follow your instructions to use an alternative venue. If we are not able to follow your instructions, we may not be able to accept your order. We may pass an order to a non-affiliated third-party broker or dealer to execute your order. In such cases, we have processes to review periodically our choice of third-party brokers and dealers to ensure that, taking into account all the relevant factors, the third-party broker or dealer is providing best execution on a consistent basis. In some cases, however, we

may make this determination on the basis of a review of the best execution policy of the relevant broker or dealer. We may also transmit orders to exchanges via direct market access (DMA) connectivity provided by other brokers.

11.9. This list contains those intermediaries that the Company uses as execution venues and on which the Company places significant reliance. The Company will regularly assess the list of intermediaries available and update it where necessary. The Company may use other execution venues and venue types where we deem it appropriate in order to provide Best Execution on a consistent basis.

The Company utilizes the services of the following intermediaries:

- Global Prime Partners (Clearing Agent through Euroclear)
- Central Securities Depository (CSD) JSC (Clearing Agent through Euroclear and Clearstream)
- Ardshinbank (Clearing Agent through Euroclear)

12. Monitoring & Recordkeeping

12.1. The Company will monitor the effectiveness of its execution arrangements and the Order Execution Policy and assess on a regular basis whether the execution venues it has selected provide for the best possible result for orders it executes on behalf of clients.

12.2. The Company will maintain records of all orders for a minimum period of 5 years even after disengagement with the client as instructed by the Law.

12.3. Pursuant to MIFID II, since the transactions are executed outside of the trading venue (i.e. OTC), the Company will monitor and check the fairness of the price by collecting market data used in the estimation of the price of such products, and in cases that is possible, compare with comparable or similar products. The determination of the relevancy of any similar products or markets will be solely at the Company's discretion, when assessing and monitoring the fairness of price and may choose different markets for different products or circumstances.

13. Client's Consent

13.1. When establishing a business relation with the Client, the Company is required to obtain the Client's prior consent to this Policy. The Company is also required to obtain the Client's prior express consent before it transmits its order for execution outside a trading venue.

13.2. The client shall be deemed to have provided such consent to the Order Execution Policy, as in force from time to time, by signing the Agreement or by effecting a transaction following the receipt of the notice of any amendment of the Order Execution Policy.

14. Publication Obligations

The Company will summarize and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where they execute orders in the preceding year and information on the quantity of execution obtained. The publication must be in line with the provisions of the Delegated Regulation (EU) 2017/576 and includes among others:

- a) Information on the class of financial instrument,
- b) Venue name and identifier, and
- c) Volume of client orders executed on that execution venue expressed as a percentage of total executed volume.

15. Request to demonstrate Best Execution

Upon reasonable request from a client, and provided that the order was subject to the requirements of this Policy, the Company will demonstrate to the client that it has been executed its order in accordance with this Policy.

In the absence of evidence, the records of the Company will constitute conclusive evidence to the actions taken by the Company to obtain best execution on behalf of its clients. The Company keeps records in relation to the best execution requirements, including records of its trading activities and versions of this Policy, for a period of five years in accordance with MiFID II.

16. Additional information regarding the Policy

In case that a retail client requests additional information about the Policy, and the request is reasonable and proportionate, the Company will consider honouring such a request, especially where such information is requested to enable the client to make a properly informed decision about whether to utilise (or continue utilising) the services of the Company.

17. Notification of changes in the Policy

14.1. The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate per the terms of the Client Agreement. It should be noted that the Company will not notify Client separately of changes, other than substantial material changes to the Policy, and Clients should therefore refer from time to time to the website of the Company at www.elidi.capital for the most up to date version of the Policy.

14.2. Should the Client require any further information and/or have any questions about this Policy can direct his/her request and/or questions through mail to: info@elidi.capital

Annex 1: Relative importance of best execution factors

RETAIL CLIENTS		PROFESSIONAL CLIENTS	
FACTOR	IMPORTANCE	FACTOR	IMPORTANCE
Price	1	Price	1
Likelihood of Execution and settlement	4	Likelihood of Execution and settlement	4
Size of Order	5	Size of Order	5
Costs	3	Costs	3
Speed of Execution	2	Speed of Execution	2
Nature of Order	6	Nature of Order	6
Any other consideration relevant to the execution	7	Any other consideration relevant to the execution	7

*1 is the most important factor and 7 the least important one.