



INFORMATION ON THE QUALITY OF EXECUTION

1. ABOUT MAGNASALE TRADING LIMITED

We are Magnasale Trading Limited (“**Magnasale**”, “**Company**”, “**we**” or “**us**”). We are the legal entity offering the investment services to you. We are at all times the legal entity responsible to you under the Institutional Trading Agreement which sets out the Terms and Conditions of your trading with us.

Magnasale is a regulated investment services firm, authorized by the Cyprus Securities and Exchange Commission (“**CySEC**”) under license number 264/15. Magnasale is located at 148 Strovolos Avenue, 2048 Strovolos, P.O.Box 28132 Nicosia, Cyprus. Magnasale is a subsidiary of Finalto (IOM) Limited and part of the Finalto Group. Magnasale also operates under the registered business name “Finalto Europe” whose website can be found at <https://liquidity.finalto.com/eu/>. Our telephone number is +357 22 232181 and we offer our service and undertake our activities from our Cyprus Offices. This license authorizes Magnasale to provide investment and ancillary services with regard to specific financial instruments as these are set out in the Firm’s operational license. At the date hereof, Magnasale is focused on offering investments services to professional and eligible counterparties through its Business to Business (“B2B”) segment, acting as liquidity provider and hedging counterparty to a number of eligible counterparties and professional clients. The Company does not face and/or engage with the underlying clients of brokers and financial institutions that trade with it. To this end the Company does not offer its services to retail clients.

2. SCOPE

This Document related to the Information on the Quality of Execution (the “**Document**”) provides an overview of how we execute orders on behalf of clients and the factors that can influence the order execution behavior.

This information will provide a clear picture of the execution strategies and tools used to assess the quality of execution obtained and will also allow investors to assess the effectiveness of the monitoring carried out by the Company in relation to those execution arrangements.

The document shall be reviewed and accordingly updated on an annual basis and shall reflect the data of the previous year.

3. TREATING CUSTOMERS FAIRLY

Treating customers fairly is central to our corporate culture and ethos.

We have a duty to act honestly, fairly, professionally and in the best interest of our clients when dealing with them. We implemented a Code of Conduct and a set of policies and procedures that aim to ensure we perform to the highest level of professional standard at all times.

4. APPLICABLE LAW AND REGULATIONS

This Document is issued pursuant to, and in compliance with the requirements of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (“**MiFID II**”), the Law of the Republic of Cyprus No 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets which transposed MiFID II into Cyprus legislation and the Investment Services and Activities and Regulated Markets Law of the Republic of Cyprus Law No 144(I)/2007 to the extent it remains applicable after coming into force of MiFID II.

The purpose of this Document is to ensure the Company’s compliance with the Commission’s Delegated Regulation (EU) 2017/576 (“**RTS 28**”) with respect to the annual publication by investment firms of information on the identity of execution venues and on the quality of execution as well as Section 9 of the Questions and Answers Document of the European Securities and Markets Authority (“**ESMA**”) issued on 11 October 2016 with reference ESMA/2016/1454.

In this Document, we collectively refer to all the above legislations, regulations and guidelines as “**Regulations**”.

5. BEST EXECUTION

Best Execution is the process by which Magnasale seeks to obtain the best possible result when executing client orders.

The definition of best possible result will vary as we may take into account a range of execution factors and determine their relative importance based on the characteristics of the respective client, the order size, the orders that we receive and the underlying Financial Instruments for which we offer trading on Contracts for Difference. Prices and costs carry the highest importance when executing transactions for our clients.

These Execution Factors and the relevant importance/criteria we place on them, depending on the circumstances of the clients and the order, are as follows:

Factor	Explanation	Importance
Price	The market price at which the order is executed.	High

Costs	<p>Any additional charges that may be incurred in executing the order in a particular way over and above Magnasale's Spread.</p> <p>The Company does not apply any commissions. Financing Charges for all types of instruments offered by the Company are not incorporated in the Company's quoted price.</p>	High
Size	The way that Magnasale executes an unusual order (for example, one that is larger than the normal market size) may differ from the way it executes a standard order.	Low
Speed of Execution	This can be particularly important in fast moving markets.	High
Likelihood of execution and settlement	<p>Magnasale may not be able to execute the order at the best available price or the transaction may fail to complete.</p> <p>Although the Company strives to execute all orders placed by the clients, it reserves the right to decline an order of any type or execute the order at the first available market price.</p>	Medium
Market impact	The effect that executing a client's order, or showing it to other market participants, might have upon the market.	Medium
Other factors relevant to particular order types	May vary depending on the circumstances.	As applicable

The relative importance of these factors can vary between different CFDs. Although we endeavor to provide the best possible execution after having taken into account the above factors, we cannot absolutely guarantee to you that the price that we make available to you at the time of opening or closing a CFD with us will always be better than one which is or might have been offered elsewhere.

When Magnasale executes orders on behalf of clients, the Company applies the same order execution arrangements to all its clients, unless different arrangements have been specifically requested or agreed with a client. Best Execution is determined on the basis of the total consideration paid to or by the client, unless the objective of execution of the order dictates otherwise. Total consideration is the price of the CFD in the underlying Financial Instrument and the costs related to execution of the order, including all expenses incurred by the client which are directly related to the execution of the order such as venue execution fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order. When assessing whether the best execution has been achieved, Magnasale does

not take account of its standard charges that will be paid by the client irrespective of how the order is executed.

Although we take all reasonable efforts, where we use an external counterparty as our liquidity provider, we will not be obliged to enter into any transaction with the client if in doing so we may be at risk of exceeding the liquidity available to us in the underlying market. For larger transactions, we may add an additional mark up or mark down and / or charges to our prices.

If a client undertakes repeated transactions, Magnasale will view them on a cumulative basis for the purpose of determining such additional mark up and / or charges.

6. CLOSE LINKS AND CONFLICTS OF INTEREST WITH RESPECT TO THE EXECUTION VENUES

6.1 Close Links and commercial ownership with respect to the Execution Venues used

Execution Venues are the entities with which the orders are placed or to which the Company transmits orders for execution. For the purposes of the orders submitted to the Company by the client, as mentioned above the Company acts as Principal on the client's behalf at all times. Even where the Company transmits the orders for execution to third party liquidity providers, the Company remains the sole counterparty to your trades. Therefore, the Firm is the sole Execution Venue and has no special arrangements with other Execution Venues with respect to clients' orders.

Solely for risk mitigation purposes (but not with respect to sourcing price data), the Company uses several liquidity providers with which it may hedge some or all of its exposure in certain assets in accordance with its hedging strategy, thereby transferring the market risk to another counterparty.

6.2 Conflicts of interest

Conflicts of interest are unavoidable in financial institutions such as Magnasale with a diverse range of activities, including those trading as Principal with their clients. Magnasale seeks to manage conflicts of interest fairly at all times.

Magnasale hereby identifies and discloses a range of circumstances which may give rise to a conflict of interest and potentially but not necessarily be detrimental to the interests of one or more clients. Such a conflict of interest may arise if Magnasale or any person directly or indirectly employed, remunerated or controlled by Magnasale and its affiliates, or a client, is likely to make a financial gain, or avoid a financial loss, at the expense of a client.

We also map out herebelow our approach to managing these indicative areas of conflicts of interest:

Circumstances of potential conflict of interest*	Our approach to managing these (indicative actions)
<p>When a client enters into any order to Buy or Sell a Contract for Difference (“CFD”), the client trades with us as his / her counterparty. We are the Principal to each trade that the client enters.</p> <p>This means that:</p> <ul style="list-style-type: none"> • The client may only close each position he trades with us. • The client’s positions are not transferable to any other regulated investment firm. This is a major difference to when clients trade for example in Shares. In such cases, clients can move their holding in Shares to be traded through another investment firm – broker. In CFDs, clients can only trade / close their position with the investment firm – broker they initially opened their position with. • If clients make profits on their trading, we lose. If the clients register losses on their trading, this means we profit. 	<ul style="list-style-type: none"> • Best Execution is the process by which Magnasale seeks to obtain the best possible result when executing client orders. • Generally, Best Execution is determined on the basis of the total consideration paid to or by the client, unless the objective of execution of the order dictates otherwise. • Prices quoted for CFDs are based on the published prices of underlying instruments on the regulated exchanges where such instruments are regularly traded or, with respect to Foreign Exchange, based on the aggregation of prices received from global investment banks and other liquidity providers • We disclose our Spreads and charges on our trading platform, unless otherwise specified in the Legal Agreement.
<p>The settings of the trading platform may be at non symmetrical parameters. A key area relates to trading slippage. Slippage refers to the difference a client expects to pay for a trade and the actual price at which the trade is executed. Slippage occurs because there is a slight time delay between the client entering the trade and the time the broker receives the order. During this time delay, the price may have changed. Slippage can be much higher in fast-moving, volatile markets. It can either work in favor of or against the client. Conflicts may arise if the application of slippage parameters is not symmetrical. That is the broker enables a higher negative slippage for the client whilst limiting the client’s potential profit in positive slippage.</p>	<ul style="list-style-type: none"> • All trading platform parameters are symmetrical. • We have monitoring procedures in place on ongoing and regular basis to ensure the slippage parameters are indeed symmetrical.
<p>Magnasale, its employees, 3rd parties acting on behalf of or on the basis of specific agreements</p>	<ul style="list-style-type: none"> • Employees who receive any form of variable pay (including performance related pay) are

<p>with Magnasale (such as introducers) may have an interest in maximizing trading volumes in order to increase dealing revenues or their variable remuneration pay. This may be inconsistent with the need for client's to trade prudently or for minimizing clients' transaction costs. Magnasale employees may also receive bonuses or other form of variable pay that links to the trading performance of clients.</p>	<p>subject to vesting periods with malus and claw back provisions.</p> <ul style="list-style-type: none"> • Incidents of conflicts of interest or any other compliance breach lead to suspension of unvested rights and / or termination of employment. • Awards are structured so as to have regard to long term client satisfaction as opposed to short term Company gains, recognizing that our long term success is premised on maintaining satisfied clients over the long term. • Local registrations with regulatory authorities have to be adhered to by affiliates where appropriate.
<p>Where investment research or market information is provided this does not take account of the circumstances and investment objectives of individual clients. Magnasale or legal and natural persons affiliated with it may have a position or trade in financial instruments that may be covered by such investment research.</p>	<ul style="list-style-type: none"> • We do not offer any form of investment advice and our disclaimers make this fact explicitly clear. • Market research is performed on behalf of Magnasale by 3rd parties who are segregated from our Dealing, Sales and Retention employees. • We remunerate such 3rd parties on the basis of fixed fee arrangements which are not related to the trading generated from our clients. • Other than being a Principal to clients' trading or hedging for the market risk emanating for this trading, neither Magnasale or its holding company or affiliates trade in any form of financial instrument for the purpose of short term financial gains.
<p>Employees or business associates may have a personal holding in a security of a company and where such employees or business associates are involved in executing clients' orders, and – in breach of internal policy – encourage or push the client to trade in such a security.</p>	<ul style="list-style-type: none"> • Our Code of Conduct states clearly that we do not engage in investment advice and stipulate the consequences for any breach of this requirement. • We monitor client communications to ensure that our staff do not engage in any form of investment advice. • All employees are bound by our Personal Account Trading Policy as in force and effect from time to time. • Other indicative points as set out in the Code of Conduct extracts of which are set out above.

**Note that the above are only indicative areas of potential conflicts of interest.*

7. ASSESSMENT OF THE QUALITY OF EXECUTION

The Firm has procedures and processes in place to analyse the quality of execution and monitor best execution. These processes and procedures also include reviewing the data under Commission Delegated Regulation (EU) 2017/575 (“**RTS27**”), as applicable. Magnasale regularly reviews the overall quality of its order execution and of the published prices in underlying Financial Instruments provided by third party data vendor sources to ensure the continuous achievement of the objectives of this Document. Furthermore, the Compliance department and Internal Audit, perform additional independent reviews of the above processes.

Magnasale will amend its processes and procedures on the basis of such reviews if it considers it to be necessary. Any new policy will be made available on our web-site and will be in force as from the date of its publication.

8. INFORMATION ON THE TOP FIVE EXECUTION VENUES

Under the Regulations, the Company shall publish the top five execution venues in terms of trading volumes for all executed client orders in CFDs. As mentioned herein above, the Company acts as Principal on the client’s behalf at all times and therefore is the sole Execution Venue for all its clients’ orders.

Furthermore we shall publish these information for Professional clients.

8.1 Definitions

For the purposes of this Regulation, the following definitions shall apply:

- (a) ‘**passive order**’ means an order entered into the order book that provided liquidity;
- (b) ‘**aggressive order**’ means an order entered into the order book that took liquidity;
- (c) ‘**directed order**’ means an order where a specific execution venue was specified by the client prior to the execution of the order.

We note that, the Company does not execute passive, aggressive or directed orders. All orders are treated as market orders in which the execution might be at a price significantly different from the prevailing market price when the order was entered or from the price specified in a pending order.