

Information on the Quality of Execution

RTS28

RTS 28 – Best Execution Report 2019

1. Introduction

Fidus Investments Cyprus Limited (the “**Company**” or “**Fidus**”) is incorporated and registered in the Republic of Cyprus, under Registration No. HE 355918. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission (the “**CySEC**”), as a Cyprus Investment Firm (the “**CIF**”), under License No. 326/17. Fidus operates in accordance with L. 87(I)/2017 - the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law of 2017, as subsequently amended from time to time (the “**Law**”).

The Company’s offices are located at 16 Kennedy Avenue, Floor 3, Nicosia – 1087, Cyprus. Fidus has the sole and exclusive rights in using the following domain worldwide → www.fidusinvestments.eu

The information presented herein, contains a summary of the analysis and conclusions drawn by the Company, deriving from assessing and monitoring the quality of execution of its clients’ orders during 2019, which was obtained from the relevant execution venues.

2. Scope

The RTS 28 – Best Execution Report (the “**Report**”) includes information on the quality of trading execution and provides an overview of how we execute orders on behalf of our clients and the factors that can influence the order execution behaviour. 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 Report shall be reviewed and updated on an annual basis accordingly and shall reflect the data of the previous year. For a detailed breakdown of the asset classes for which the Company owes a duty of best execution, please refer to the Order Execution Policy.

3. Applicable Law and Regulations

This Report was prepared in line with and pursuant to 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 (the “**MiFID II**”), the Investment Services Law of Cyprus Law 87(I)/2017 (the “**Law**”), which transposed MiFID II into the Cyprus Legislation and the Investment Services and Activities and Regulated Markets Law of Cyprus Law No 144(I)/2007, to the extent it remains applicable after MiFID II came into force. The purpose of this Report is to ensure the Company’s compliance with the Commission’s Delegated Regulation (EU) 2017/576 (the “**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 (the “**ESMA**”) issued on 11 October 2016 (ESMA/2016/1454), with respect to the provision of CFDs and other speculative products to retail investors. For the purpose of this Report, we collectively refer to all the above legislations, regulations and guidelines as the “**Regulations**”.

4. Information required to be disclosed under Regulatory Technical Standard 28 of MiFID II

- a) An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.**

In selecting the appropriate Execution Venue for a specific transaction and by taking into consideration the client's classification, the company considers the following execution factors:

- available price in the market;
- transaction costs (including commission, execution, clearing and settlement costs);
- speed of execution;
- the likelihood of execution and settlement (depending on liquidity in the particular market);
- the size and nature of the transaction; and
- Any other consideration that the company deems to be relevant to the execution of that transaction.

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

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

In general, the company regards price as being the most important execution factor when seeking to obtain the best possible outcome for clients. Although we endeavour to provide the best possible execution after having taken into account the above factors, we cannot absolutely guarantee that the price that we make available to clients at the time of opening or closing with us will always be better than one which is or might have been offered elsewhere. However, in certain circumstances the company may decide in its absolute discretion that the other factors mentioned above are more important than price.

- b) A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.**

The company is not executing orders internally. In addition, the company does not have any close links or common ownership with respect to any external execution venues.

- c) A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.**

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

- d) An explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred**

There were no changes to the execution venues listed in the Order Execution Policy during 2017.

- e) An explanation of how order execution differs according to client categorization, where the firm treats categories of clients differently and where it may affect the order execution arrangements.**

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

- f) An explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.**

Speed Execution:

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

Likelihood of Execution:

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

Size of Order:

Details on the Contract Specifications are available in the Company's website under 'DISCLOSURES' section.

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

5. 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.

Furthermore, we shall publish this information for Retail and Professional clients, as defined in our Client Categorization Policy, in separate tables.

Definitions

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

Brokers Classification of Passive / Aggressive Orders:

- Aggressive order is defined as an order that is submitted to a venue which runs an order book and took liquidity on the order book- Passive order is defined as an order that is submitted to a venue which runs an order book and provided liquidity on the order book- No orders are directed as thus field is not specified

Categorisation of Products into Classes of Financial Instruments: - Equities – Shares & Depositary Receipts

- EU Cash Shares covered by the MiFID II tick size regime. Instruments are placed into liquidity bands based on the ADNT (average daily number of transactions) values published by ESMA; and
- Liquidity Band 6 can be seen as representing the most liquid instruments and Liquidity Band 1 the least liquid instruments, based on ADNT values.

Interest rates derivatives - Futures and options admitted to trading on a trading venue

- Contract Futures and Contract Options within sectors "Financials - Short-term Interest Rates" and "Financials Bonds"

Currency derivatives - Futures and options admitted to trading on a trading venue

- Contract Futures and Contract Options within sector "Financials – Currencies"

Equity Derivatives - Options and Futures admitted to trading on a trading venue

- Contract Futures and Contract Options within sector “Stock Indices” and Stock Options and Stock Index Options

Securitized Derivatives - Warrants and Certificate Derivatives

- Warrants

Commodities derivatives and emission allowances Derivatives - Options and Futures admitted to trading on a trading venue

- Contract Futures and Contract Options within sectors “Agriculture”, “Base Metals”, “Commodity Index”, “Energies”, “Meats”, “Precious Metals”, “Softs”

Contracts for difference

- CFDs on Single Stocks/ETFs executed via agency model

Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)

- ETFS, ETN, ETC

Other

- EU Cash Shares not covered by the MiFID II tick size regime;
- US and APAC Cash Shares; and
- Mutual.

(A) Professional Clients

(as per Annex II, table 1 of the RTS 28) per each class of instrument for the top 5 execution venues ranked in terms of trading volumes (descending order):

Contracts for difference:

Class of Instrument						
Notification if < 1 average trade per business day in the previous year		Y				
Number	Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1	FxPro Financial Limited 2138007D4SHGY1KX4T75	88.5357%	92.612%	0	100%	0
2	Saxo Bank A/S 549300TL5406IC1XKD09	11.4643%	7.388%	0	100%	0

Exchange trade products (Exchange traded funds, exchange traded notes and exchange traded commodities):

Class of Instrument						
Notification if < 1 average trade per business day in the previous year		Y				
Number	Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1	Saxo Bank A/S 549300TL5406IC1XKD09	100%	100%	0%	100%	0%

Shares:

Class of Instrument						
Notification if < 1 average trade per business day in the previous year		N				
Number	Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1	Saxo Bank A/S 549300TL5406IC1XKD09	100%	100%	0%	100%	0%

Currency Derivatives-Futures and options admitted to trading on a trading venue:

Class of Instrument						
Notification if < 1 average trade per business day in the previous year		N				
Number	Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1	Saxo Bank A/S 549300TL5406IC1XKD09	100%	100%	0%	100%	0%

Equity Derivatives-Futures and options admitted to trading on a trading venue:

Class of Instrument						
Notification if < 1 average trade per business day in the previous year		Y				
Number	Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1	Saxo Bank A/S 549300TL5406IC1XKD09	100%	100%	0%	100%	0%

Commodity Derivatives-Futures and options admitted to trading on a trading venue:

Class of Instrument						
Notification if < 1 average trade per business day in the previous year		N				
Number	Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1	Saxo Bank A/S 549300TL5406IC1XKD09	100%	100%	0%	100%	0%

Other:

Class of Instrument						
Notification if < 1 average trade per business day in the previous year		N				
Number	Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1	Saxo Bank A/S 549300TL5406IC1XKD09	100%	100%	0%	100%	0%

Bonds:

Class of Instrument						
Notification if < 1 average trade per business day in the previous year		N				
Number	Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1	Saxo Bank A/S 549300TL5406IC1XKD09	100%	100%	0%	100%	0%

(B) Retail Clients

(as per Annex II, table 2 of the RTS 28) per each class of instrument for the top 5 execution venues ranked in terms of trading volumes (descending order):

Contracts for difference:

Class of Instrument						
Notification if < 1 average trade per business day in the previous year		Y				
Number	Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1	FxPro Financial Limited 2138007D4SHGY1KX4T75	66.006%	98.355%	0	100%	0
2	Saxo Bank A/S 549300TL5406IC1XKD09	33.994%	1.645%	0	100%	0

Shares:

Class of Instrument						
Notification if < 1 average trade per business day in the previous year		N				
Number	Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1	Saxo Bank A/S 549300TL5406IC1XKD09	100%	100%	0%	100%	0%

Equity Derivatives-Futures and options admitted to trading on a trading venue:

Class of Instrument						
Notification if < 1 average trade per business day in the previous year		N				

Number	Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1	Saxo Bank A/S 549300TL5406IC1XKD09	100%	100%	0%	100%	0%

Commodity Derivatives-Futures and options admitted to trading on a trading venue:

Class of Instrument						
Notification if < 1 average trade per business day in the previous year		N				
Number	Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1	Saxo Bank A/S 549300TL5406IC1XKD09	100%	100%	0%	100%	0%

Exchange trade products (Exchange traded funds, exchange traded notes and exchange traded commodities):

Class of Instrument						
Notification if < 1 average trade per business day in the previous year		N				
Number	Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1	Saxo Bank A/S 549300TL5406IC1XKD09	100%	100%	0%	100%	0%

Bonds:

Class of Instrument						
Notification if < 1 average trade per business day in the previous year		N				

Number	Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1	Saxo Bank A/S 549300TL5406IC1XKD09	100%	100%	0%	100%	0%

(C) Eligible Clients:

Exchange trade products (Exchange traded funds, exchange traded notes and exchange traded commodities):

Class of Instrument						
Notification if < 1 average trade per business day in the previous year		N				
Number	Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1	Saxo Bank A/S 549300TL5406IC1XKD09	100%	100%	0%	100%	0%

Shares:

Class of Instrument						
Notification if < 1 average trade per business day in the previous year		N				
Number	Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1	Saxo Bank A/S 549300TL5406IC1XKD09	100%	100%	0%	100%	0%

Bonds:

Class of Instrument						
Notification if < 1 average trade per business day in the previous year		N				
Number	Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1	Maybank Kim Eng Securities Limited 2549008OCTC9S985IM85	94.735%	100%	0%	100%	0%
2	Saxo Bank A/S 549300TL5406IC1XKD09	5.265%	100%	0%	100%	0%