

GRANDIS SECURITIES LTD
Report on Top Five execution venues
(RTS 28) for the year
2018

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Statement

In accordance with the 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 (1), and in particular point (b) of the first subparagraph of Article 27(10), the Company should identify the top five execution venues in terms of trading volumes where it has executed the client orders in the preceding year.

Therefore, on an annual basis, Grandis Securities Ltd ("GSL", "We", "The Company") will provide disclosure of the execution venues that we use for each class of MiFID II financial instrument and other specific information on the quality of execution in accordance with the requirements of Regulatory Technical Standard 28 (RTS 28) of the MiFID II Regulations and Article 65(5) of the MiFID II Delegated Regulations.

This document provides the top five execution venues, by class of financial instrument as prescribed by MiFID II, when Grandis Securities Ltd executes client orders, or directly (as a trading venue member), or when transmitting the orders to a third party (broker) for execution.

This report will be published on the Company's website <http://grandissecurities.com.cy/client-area/> and its electronic version will be available to public.

Information on the top five execution venues and quality of execution obtained

Grandis Securities Ltd shall publish the **top five execution venues** in terms of trading volumes for all executed client orders per class of financial instruments referred to in Annex 2. The above doesn't apply to Retail Clients as per its Business model the company doesn't offer services to this category of clients.

The information regarding **professional clients** published in the Tables below for each class of MiFID II financial instruments applicable for GSL.

The Company **did not execute** clients' orders **on execution venues** as they determined in Art. 27 of EU Regulation 2017/565 (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) during the reporting period.

Please kindly note that as clarified by ESMA Questions and Answers on MiFID II and MiFIR investor protection and intermediaries topics, the distinction between passive and aggressive orders, as defined in Article 2 of EU Regulation 2017/576, is likely not relevant and will not need to be disclosed where the investment firm transmits orders to an entity for execution (broker).

Client Type	Professional Clients
Execution Type	Receipt and Transmission of Order

Class of Instrument	Equities — Shares & Depositary Receipts Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)				
Notification if <1 average trade per business day in the previous year	Yes				
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
Grandis Capital Investment Company LEI: 253400FTMDTA31BS VD07	90,89 %	54,55 %	-	-	-
Veles International Limited LEI: 213800HFBG8GID9 8ID84	6,32 %	18,18 %	-	-	-
Atonline Ltd LEI: 213800PZWYFKIOA GQY35	2,79 %	27,27 %	-	-	-

Class of Instrument	Debt instruments Bonds				
Notification if <1 average trade per business day in the previous year	Yes				
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
Grandis Capital Investment Company LEI: 253400FTMDTA31BS VD07	91,86 %	33,33 %	-	-	-
Atonline Ltd LEI: 213800PZWYFKIOA GQY35	8,14 %	66,67 %	-	-	-

Summary of the analysis and conclusions from a Company's execution monitoring (under Art. 3 of EU Regulation 2017/576)

- (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;

Taking into consideration the characteristics of financial instruments and markets in which/where clients trade the priority is given to those factors that allow to deliver the best possible result in terms of the total consideration, representing the price of the financial instrument and the costs related to execution. For clients classified as Professional Clients, total consideration may not be an appropriate guide for execution in all cases, for example, speed and likelihood of execution may take precedence during highly volatile market or less illiquid instruments. In accordance with the execution policy, the Company ensures that the execution policy of the execution broker enables the compliance with obligation to execute orders on the most favorable terms for clients following the importance of factors as specified herein.

- (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 has no close links, conflicts of interest, and common ownerships with the majority of brokers. However, the company transmits the client orders for Russian equities for execution to the related party, which has the same ownership. In this case, the company ensures that the quality of execution offered to its clients has no negative impact. The related party was selected because it allows the company to deliver the best possible result to its clients on a consistent basis.

- (c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;

During the reporting period, the company did not receive any remuneration, discount or non-monetary benefit for transmitting Client orders to a broker, which would infringe any conflicts of interest or inducement requirements under MiFID II.

- (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;

No such a change occurred.

- (e) an explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements;

Grandis Securities Ltd exclusively serves professional clients. All GSL Clients are treated equally in terms of execution arrangements.

- (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;

N/A- GSL does not carry out any business with the Retail Clients.

- (g) an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575;

The Company uses the following tools relating to the quality of execution: GSL monitors the prices through the direct trading platform Transaq, via the relevant stock exchange (e.g MICEX) and by using Bloomberg. GSL compares the prices given by the brokers against the prices from the above sources. Prices for OTC trades are monitored or confirmed through Bloomberg. The speed of execution is confirmed through proven record of on-time execution without delays. In addition, all commissions are within the market range.

- (h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

N/A

Securities Financing Transactions (SFT) - Repurchase agreements

The Company shall publish the top five execution venues in terms of trading volumes for all executed client orders in SFTs for class of financial instruments referred to in Annex 2.

- (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 making assessments of the quality of execution.

The information provided herein explains the GSL best execution processes for the following SFTs:

For REPO and Reverse REPO GSL uses purely Grandis Capital Investment Company for the execution of orders. The primarily and most important factor here is the direct access that GCIC provided to the REPO Market (Execution of Repo transactions on the Moscow Exchange in the trading modes "REPO with the Central counterparty – Address orders" and "REPO with the Central counterparty – non-

Address orders" in accordance with the documents approved by Moscow Exchange PJSC). According to our assessment none of other brokers provide such access to this market. Interest rates is another important execution factor. The prices of repo trades with central counterparty can be checked on MICEX web-site.

For SFTs involving bond/equities underlies (such as Reverse repos), transaction cost (i.e. the financing rate) and certainty of settlement (i.e. counterparty risk) are the most important factors.

Based on the Firm's best execution monitoring during 2018 (as described above under 'Use of data / tools relating to quality of execution'), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class.

Class of Instrument	Securities Financing Transactions (SFT) Repurchase agreements -	
Notification if < 1 average trade per business day in the previous year	Yes	
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class
Grandis Capital Investment Company LEI: 253400FTMDTA31BSVD07	100 %	100 %

Annex 1: Definitions

Aggressive order means an order entered into the order book that took liquidity;

Broker is a street-side counterparty or affiliated provider through which GSL transmits orders on behalf of client portfolios for execution.

Directed order means an order where a specific execution venue was specified by the client prior to the execution of the order.

Execution Venue refers to regulated markets, MTFs or OTFs and other liquidity providers or entities that perform a similar function.

Financial instrument is defined in Appendix 1

MiFID II Markets in Financial Instruments Directive 2014/65/EU of 15 May 2014 ("MiFID II").

Market Operator means a person or persons who manages and/or operates the business of a regulated market and may be the regulated market itself.

Multilateral Trading Facility ("MTF") 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.

Organized Trading Facility ("OTF") 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 the Directive.

Professional Client who possesses the experience, knowledge and expertise to be able to appropriately assess the risks associated with their own investment decisions (e.g. financial institutions, other authorized or regulated institutions, collective investment schemes and management companies of such schemes, pension funds, and other institutional investors). Retail Clients who fulfill two out of three criteria set up to demonstrate their knowledge and experience might also be considered Professional Clients upon their own request.

Passive order means an order entered into the order book that provided liquidity;

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.

Retail client means a client who is not a **Professional Client**.

Total Consideration Price of the financial instrument and the costs relating to execution, which shall include all expenses incurred by the client that are directly relating 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.

Trading Venue means any Regulated Market, MTF or OTF as defined by MiFID II.

Annex 2: Classes of financial instruments

(a) Equities — Shares & Depositary Receipts

- (i) Tick size liquidity bands 5 and 6 (from 2 000 trades per day)
- (ii) Tick size liquidity bands 3 and 4 (from 80 to 1 999 trades per day)
- (iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)

(b) Debt instruments

- (i) Bonds
- (ii) Money markets instruments

(c) Interest rates derivatives

- (i) Futures and options admitted to trading on a trading venue
- (ii) Swaps, forwards, and other interest rates derivatives

(d) credit derivatives

- (i) Futures and options admitted to trading on a trading venue
- (ii) Other credit derivatives

(e) currency derivatives

- (i) Futures and options admitted to trading on a trading venue
- (ii) Swaps, forwards, and other currency derivatives

(f) Structured finance instruments

(g) Equity Derivatives

- (i) Options and Futures admitted to trading on a trading venue
- (ii) Swaps and other equity derivatives

(h) Securitized Derivatives

(i) Warrants and Certificate Derivatives

- (ii) Other securitized derivatives
- (i) Commodities derivatives and emission allowances Derivatives
- (i) Options and Futures admitted to trading on a trading venue
- (ii) Other commodities derivatives and emission allowances derivatives

(j) Contracts for difference

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

(l) Emission allowances

(m) Other instruments