

Fidus Investments Cyprus Ltd

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Order Execution Policy

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Client's Initials

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1. Purpose

Following the implementation of the Markets in Financial Instruments Directive 2014/65/EU (“MiFID II”) and in accordance to the provisions of the Investment Services and Activities and Regulated Markets Law of 2017 (the “Law”), as amended, of the Cyprus Securities and Exchange Commission (“CySEC”), **FIDUS INVESTMENTS CYPRUS LIMITED** (the “Company”) is required to establish an Order Execution Policy (the “Policy”) and take all sufficient steps to obtain the best possible result (“Best Execution”) on behalf of its clients.

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

The Policy applies to both retail and professional clients, when providing the investment services of:

- a) Reception and transmission of orders, and
- b) Execution of orders on behalf of clients.

in relation to:

- a) Transferable Securities,
- b) Money market instruments,
- c) Units in Collective investment undertakings,
- d) 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,
- e) Options, futures, swaps, forward rate agreements 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 (otherwise than by reason of a default or other termination event),

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- f) 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,
- g) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of Section C of Annex I of MiFID II and not being for commercial purposes, which have the characteristics of other derivative financial instruments,
- h) Derivative instruments for the transfer of credit risk,
- i) Financial contracts for differences (“CFDs”), and
- j) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances 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 (otherwise than by reason of a default or other termination event), as well as any other derivative contract relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Part, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognized clearing houses or are subject to regular margin calls,

as these are defined in points 1-10 of section C of Annex I of MiFID II.

The Company’s Best Execution obligations do not extend to Eligible Counterparties, as per Article 30(1) of MiFID II.

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

3. Best Execution Factors and Criteria

When receiving and transmitting clients’ orders to third parties (“receiving firms”) for execution or when executing clients’ orders, the Company takes into account multiple **Execution Factors**, in order to obtain the best possible result for its clients, such as:

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- Price,
- Likelihood of execution and settlement,
- Size of order,
- Costs (direct or indirect),
- Speed of execution,
- Nature of the order,
- Any other considerations relevant to the execution of an order (e.g., prevailing market conditions).

The Company determines the relative importance of the aforementioned Execution Factors by taking into account the characteristics of the following **Execution Criteria**:

- The client, including the categorization of the client as retail or professional,
- The client's order,
- The financial instruments that are the subject of that order,
- The Execution Venues to which that order can be directed.
- The client's instructions to execute with a particular Execution Venue/Broker

The process by which the Company performs this assessment depends on the specifics of each case. 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.

Price will ordinarily be of high relative importance in obtaining best possible results. However, in some circumstances, reference to the Execution Criteria may appropriately determine that other Execution Factors have greater importance in achieving the best possible result for the client.

For retail clients, 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. The relative importance of the execution factors considered by the Company to obtain the best possible result for its clients are depicted in **Annex 1** of the Policy.

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4. Execution Venues

“Execution Venues” are the locations (with or without a physical presence) such as Regulated Markets, Multilateral Trading Facilities, Organized Trading Facilities, Systematic Internalisers, Market Makers, Liquidity Providers, Brokers, counterparties or any other entity that facilitates trading of Financial Instruments.

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:

- a) FXPRO (OTC CFDs).
- b) SAXO BANK AS (OTC CFDs, DMA CFDs, Shares, Fixed Income, Options, Futures, Forwards).
- c) Maybank (DMA CFDs, Shares, Fixed Income, Options, Futures, Forwards).
- d) Britannia Global Markets ((DMA CFDs, Shares, Fixed Income, Options, Futures)

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, and
- Electronic connectivity.

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.

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The Company reserves the right to use other Execution Venues were deemed appropriate in accordance with the execution policy and may add or remove any Execution Venues from this list without prior notice.

Derivatives' trading venues:

- OTC CFDs are undertaken over the counter and NOT on a regulated exchange. As a result, such transactions may expose the client to greater risks than transactions executed on Regulated Markets (like shares and DMA CFDs).

5. Selecting an Execution Venue

Subject to proper consideration of the Execution Criteria and Execution Factors referred to above, where there is more than one competing Execution Venue/Broker to execute an order for a financial instrument, the Company shall assess and compare the results for the client that would be achieved by executing the order on each of the Execution Venues/Brokers.

The Company will transmit orders to those execution venues that it deems sufficient to provide the best possible result based on comparable venue information. Subject to any specific instructions, in meeting the best execution obligation to take all sufficient steps to obtain on a consistent basis the best possible result for the execution, the Company considers the following execution venues as appropriate:

- Regulated Markets ("RM"),
- Multilateral Trading Facilities ("MTF"),
- Organized Trading Facilities ("OTF"),
- Systematic Internalisers ("SI"),
- An entity which performs a similar function in a third country to the functions performed by any of the foregoing outside the EEA which are regulated according to their local rules.

6. Specific Client Instructions

The company offers three types of accounts:

- a) WL with FXPRO,

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- b) WL with SAXO BANK AS,
- c) Omnibus.

If the client opts to trade via FXPRO or SAXO BANK AS by giving his instructions to transfer funds to WL accounts with these brokers, the Company is considered to have fulfilled its best execution obligation, with respect to some of the Execution Factors. If the client opts to trade via the omnibus structure, he will be able to deal mainly with products on a regulated exchange: shares, futures, and options on shares.

Effectively, in circumstances where the client provides the Company with specific instructions as to how to execute an order and the Company has accepted this instruction, then the Company executes the order in accordance with that specific instruction, according to Article 27(1) of MiFID II.

When the Company executes an order following specific instructions from the client, it should be treated as having satisfied its best execution obligations only in respect of the part or aspect of the order to which the client instructions relate. The fact that the client has given specific instructions which cover one part or aspect of the order should not be treated as releasing the Company from its best execution obligations in respect of any other parts or aspects of the client order that are not covered by such instructions.

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. Handling Orders of Clients

All client orders will be executed promptly and accurately recorded and allocated. The Company will inform clients about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

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.

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8. Order Aggregation

To carry out a client order in aggregation with 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 favorable 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 favorable terms or at all, without its own participation.

9. Order Management

The Company shall always ensure that client orders are handled equitably and to the client's best advantage. Client orders are executed in a prompt and equitable manner, taking into account the nature of the order. Other similar orders may be processed or executed sequentially in parity with the time of receipt and may be aggregated or pro-rated accordingly, unless the characteristics of the order or prevailing market conditions make this impracticable or the client, require otherwise. The Company undertakes to manage all client orders in accordance with the following principles:

- Order execution shall be prompt, fair and expeditious and processed sequentially,
- Aggregation of comparable orders shall be undertaken to the client's best interests,
- Allocation or reallocation shall be equitable and seek to protect from client detriment.

10. Slippage

At the time an order is presented for execution, the specific price requested by the client may not be available and therefore the order will be executed close to or a number of pips away

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from the client's requested price. If the execution price is better than the price requested by the client this is referred to as 'positive slippage'. In contrast, if the execution price is worse than the price requested by the client this is referred to as 'negative slippage'. Slippage is a regular feature of the markets under conditions such as illiquidity and volatility.

11. Monitor and Review

The Company will monitor on a regular basis and the effectiveness of the Policy, and the execution quality of the procedures explained in the Policy, making any changes where appropriate.

In addition, the Company will review the Policy at least once a year and will notify its clients of any material changes (including changes to the selected Execution Venues). Upon request, the Company will demonstrate to its clients that it has executed their orders in accordance with the Policy.

Pursuant to MIFID II, for transactions executed outside of a 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.

12. Client Consent

When establishing a business relation with a client, the Company is required to obtain the client's prior consent to the 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.

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

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13. Disclosures

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 it has executed 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.

The report is available on the Company's [website](#).

14. Request to Demonstrate Best Execution

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

15. 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 honoring such a request, especially where such information is requested to enable the client to make a properly informed decision about whether to utilize (or continue utilizing) the services of the Company.

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16. Notification for Changes in the Policy

The Company will notify its clients of any amendments of the Policy. A change is considered as material when its disclosure/publication is necessary to enable the client to make a properly informed decision about whether to continue utilizing the services to the Company.

Specifically, the Company will consider the materiality of any amendment it makes to the relative importance of the Execution Factors or the Execution Venues that it places significant reliance in meeting the comprehensive best execution requirement.

17. Important Information

CFDs are not eligible for sale or distribution in certain jurisdictions or countries. The Policy is not directed to any jurisdiction or country where its publication, availability or distribution would be contrary to local laws or regulations. Equally, the Policy does not constitute an offer, invitation or solicitation to buy or sell leveraged products. It may not be reproduced or disclosed (in whole or in part) to any other person without prior written permission. The Policy is not intended to constitute the sole basis for the evaluation of any client's decision to trade leveraged products.

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18. Annex 1: Relative Importance of Best Execution Factors

All financial instruments (complex and non-complex)			
Retail clients		Professional clients	
Execution Factors*	Importance	Execution Factors*	Importance
Price	1	Price	1
Likelihood of execution and settlement	2	Likelihood of execution and settlement	2
Size of order	6	Size of order	6
Costs	4	Costs	4
Speed of execution	3	Speed of execution	3
Nature of order	5	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

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