

# Best Execution Policy

Reviewed by: CO  
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## 1. Introduction

WISDOMPOINT CAPITAL LTD (hereinafter referred to as the “Company”) is a Cyprus Investment Firm licensed and regulated by the Cyprus Securities and Exchange Commission (the “CySEC”), under license number 219/13. The Company is located at Andrea Zappa 1, office 9, Limassol, 4040, Cyprus.

“Client” is hereby understood as a person to whom the Company provides or intends to provide or has provided a service in the course of carrying out investment or ancillary services, in accordance with the Client Agreement signed between the Client and the Company. The orders placed by Clients are executed either OTC or at the relevant exchange.

The Company has adopted this Best Execution Policy (hereinafter referred to as the “Policy”) in order to ensure compliance with all applicable requirements.

## 2. Legal and Regulatory Framework

This Policy is issued pursuant to and in compliance with the requirements of:

- Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended from time to time (“MiFID II”).
- Law 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets and other related matters, as amended from time to time (the “Law”).
- Commission Delegated Regulation (EU) 2017/565, supplementing Directive 2014/65/EU of the European Parliament and of the Council regarding organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.
- Commission Delegated Regulation (EU) 2017/576, supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution.
- Section 1 of the Questions and Answers of the European Securities and Markets Authority (“ESMA 35-43-349”) as amended from time to time, on investor protection topics.

- CySEC’s Circular C343 regarding Thematic review of best execution obligations of Cyprus Investment Firms.
- Guidance or Circulars issued from time to time by the Cyprus Securities and Exchange Commission relevant to this Policy.

The above-mentioned legislation, regulations and guidelines are hereinafter referred to as “Regulatory Framework”.

### **3. Scope**

In accordance with the Regulatory Framework, the Company is obliged to take all sufficient steps to obtain the best possible results for its clients, either when executing clients’ orders or receiving and transmitting orders for execution. The Regulatory Framework also requires the Company to establish a formal policy to allow it to obtain, for its clients’ orders, the best possible result.

This Policy sets out the execution procedures for the financial instruments offered by the Company, as set out below:

- Stocks
- Bonds
- ETFs
- ETD Derivatives

This Policy applies to dealings in financial instruments for both professional and retail clients (each as defined in the Law). Best execution is also owed when the Company transmits clients’ orders to other entities for execution. No best execution will be owed where a client has been categorized by the Company as an eligible counterparty. Although the Best Execution Policy does not apply with respect to eligible counterparties, the Company will act honestly, fairly and professionally, and communicate in a way that is fair, clear and not misleading, taking into account the nature of the client and their business.

In the event of force majeure which affects, interrupts or stops (permanently or temporarily) the operation of the trading facility or other mechanism in which a client’s order is executed, beyond the reasonable control of the Company, the Company will endeavor to execute the order on a best-effort basis, taking into account the prevailing circumstances.

### **4. Client Consent**

By signing an agreement with the Company, the Client automatically agrees to all the infrastructure used by the Broker, both within and outside Cyprus. The Client acknowledges that their orders may be executed outside of a Regulated Market or Organized Trading Facility, including but not limited to, facilities in other jurisdictions. The Client confirms that they have read, understood, and consented to the Policy before engaging in trading activities with the Company.

### **5. Execution Criteria and Execution Factors**

When transmitting and/or executing trades, the Company shall take all sufficient steps to obtain the best possible result for a client. Therefore, the employees of the Company must ensure that the execution method chosen for every trade is the most favorable for the client.

The best possible result is determined with regard to the following execution factors explained herein (listed by importance, starting from the most important):

*a. Price- Highest Importance*

The Company places strong emphasis on the quality and level of the price data that the Company receives from external sources (i.e., our execution venues) to provide our clients with competitive price quotes.

Price is particularly important for retail clients, as the best possible result for retail clients shall be determined in terms of the total consideration. In the context of selecting execution venues for an execution policy, price refers to whether an execution venue generally offers prices that are as good as, or better than, its competitors. Price is also a relevant factor in selecting intermediaries to execute client orders.

In the context of providing services to professional clients, the Company focuses on delivering outcomes that align with their specific needs and trading strategies, where price may be of secondary importance. For these clients, other factors such as speed of execution, likelihood of execution and settlement, the size and nature of the order, market impact, and any other implicit transaction costs, and the overall quality of execution services may take precedence. Therefore, while price remains a relevant consideration, our execution policy for professional clients prioritizes a broader set of criteria to ensure that the execution process meets their strategic objectives, reflecting the complexity and sophistication of their requirements.

*b. Speed of Execution- High Importance*

Due to the nature of the securities market, prices change over time. If the cost of an adverse market movement is likely to be significant, speed of execution may become very important. For large orders and orders for less liquid instruments, under certain market conditions, other considerations may outweigh speed. In the context of selecting execution venues in an execution policy, speed refers to how quickly an execution venue tends to complete an order. When choosing another intermediary, the Company must consider whether that intermediary can achieve speedy execution when required.

*c. Likelihood of execution and Settlement- High Importance*

The Company prioritizes executing the Client's orders promptly and efficiently, making it its top priority.

*d. Size of order – Medium Importance*

The best price in a market usually represents an opportunity to trade in a particular size (i.e., number of relevant securities, contracts, units, or the like), which may not match the size that the client wishes to trade. If the client wishes to execute a larger size, and part of the order is executed at the indicated size, the price for subsequent executions may become less favorable. On the other hand, if the client wishes to execute a smaller size, the same price may not be available. In the context of selecting execution venues, size refers to the order sizes that an execution venue typically accepts.

*e. Nature of the order – Medium Importance*

The particular characteristics of an order, such as buy, sell, or limit order, are always relevant to how it is executed. Any order constraint may be an important aspect of arrangements to obtain the best possible result. In the context of selecting execution venues for an execution policy, the Company must consider how well an execution venue performs based on the nature of the order.

If the Company uses only one execution venue, the Reception, Transmission, and Execution (RTE) Department must demonstrate, with supporting documents, that such a choice consistently provides the best possible results for its Clients. The Company must also periodically assess whether there are alternative venues/entities that could be used.

*f. Market impact- Low Importance*

Market impact involves detecting threats to the orderly operation of financial markets, including threats to the reliability and transparency of the price formation process, and addressing any behavior that may result in cascading or significant market impact. When forming an execution strategy, the Company will always observe the standard of behavior normally expected in the market to which the Client directs the order. In no case will the Company take action that may result in market distortion or give a misleading impression of trade volumes or the value of any financial instrument.

When the Company transmits an order on behalf of a retail client for execution, the best possible result shall be determined in terms of the total consideration, which represents the price of the financial instrument and the costs related to execution. This includes all expenses incurred by the client that are directly related to the execution of the order, such as execution venue fees, clearing and settlement fees, and any other fees paid to third parties involved in the execution of the order.

**Specific Client Instructions:**

Client instructions take precedence over the ranking of execution factors and may eliminate some factors from consideration or modify their importance. Where the Company receives specific instructions from a Client related to the execution or transmission of an order, it will follow such instructions. In doing so, the Company shall be deemed to have satisfied its best execution/best interest obligation.

The Company's policy prioritizes the use of automatic execution systems to process client orders efficiently, ensuring rapid and optimal outcomes in line with the Best Execution Policy. While the Company does not encourage clients to provide specific instructions regarding the execution or transmission of orders, it will adhere to any specific instructions provided by the client. If a client's instructions pertain only to a part of the order, the Company will apply its Best Execution Policy to the remaining elements not covered by those instructions. There may be instances where trading rules for specific markets or prevailing market conditions prevent the Company from fully executing certain client instructions. In such cases, or when manual execution is necessary, the RTE Department is responsible for considering the following execution criteria:

1. The characteristics of the client, including their categorization as retail or professional;
2. The characteristics of the client order, including whether it involves a securities financing transaction (SFT);

3. The characteristics of the financial instruments involved in the order;
4. The characteristics of the execution venues available for the order.

The RTE Department prioritizes executing orders quickly and efficiently, as this is Department's top priority.

#### **Warnings to be considered by the clients**

- Where there is a specific instruction from the client, the Company shall execute the order following the specific instruction. When there is no specific client instruction regarding the execution method, the Company shall execute an order in accordance with this Policy.
- For all orders not placed by Retail Clients, Best Execution does not necessarily translate to the lowest total consideration but rather the best possible outcome for the client.
- Clients should be aware that checks regarding the appropriateness or suitability (where applicable) of a specific investment product or service could result in delays in the execution of orders regarding financial instruments. The Company cannot be held liable for any such delays resulting from the duties stipulated and governed by these provisions, except in cases of fraud or gross negligence on the part of the Company.

#### **6. Refusal to execute orders**

The client understands that the Company reserves the right to refuse the provision of any investment and ancillary service, at any time, including but not limited to the execution of instructions for trading any type of financial instrument, without prior notice. The circumstances under which the Company may proceed with the above actions are as follows:

- If the client has insufficient funds in their account;
- If the order affects the orderly functioning of the market;
- If the order aims at manipulating the market of the underlying financial instrument;
- If the order constitutes the exploitation of confidential information;
- If the order affects the orderly operation of the trading platform;
- If the order contributes to the legalization of proceeds from illegal actions (money laundering);
- If any suspicious order can be justified as abusive.

Any refusal to transmit or execute an order will not affect any obligation the Client has towards the Company based on the terms of the relationship and agreement.

#### **7. Client Order Handling**

The Company will satisfy the following conditions when carrying out Client Orders:

- (a) ensures that orders executed on behalf of Clients are promptly and accurately recorded and allocated;
- (b) carries out otherwise comparable Client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the Client require otherwise;
- (c) informs its Client about any material difficulty relevant to the proper carrying out of orders

promptly upon becoming aware of the difficulty.

## 8. Placing of an order

The Client may place an order electronically via the trading platform.

## 9. Types of trading orders

Given the risks associated with trading in financial markets, the Client may wish to consider using different types of trading orders to limit such risks. Please note that the descriptions below may apply to some financial instruments and not all:

- **Market order**

With a market order, the Client instructs to execute a trade of a certain size as promptly as possible at the prevailing market price. Market orders are executed without regard to price changes. Therefore, if the market price moves significantly during the time it takes to fill the Client's order, the order will most likely be executed at a price substantially different from the price when the order was entered. Certain exchanges do not support market orders. If the Client places a market order in these markets, the Company automatically converts the order to an aggressive limit order within a certain percentage limit "in the money". The Client is responsible for checking if the order is traded in the market after order entry. If the Client experiences or suspects any errors with the order, they should contact the Company immediately.

- **Limit order**

With a limit order, the Client sets the maximum purchase price or minimum sale price at which the trade is to be executed. Since a limit order may be placed away from the current market price, it may not be executed immediately. By placing a limit order, the Client gives up the certainty of immediate execution in exchange for the expectation of obtaining an improved price in the future. Limit orders may be routed to an exchange automatically. When a limit order is placed for a share admitted to trading on a regulated market or traded on a trading venue, the Company shall not be obliged to publish that limit order if it cannot be immediately executed under prevailing market conditions.

- **Stop order**

A stop order is an order to buy or sell a financial instrument once the price of the instrument reaches a specified price, known as the stop price. When the stop price is reached, a stop order becomes a market order. A buy stop order is entered at a stop price above the current market price, while a sell stop order is entered at a stop price below the current market price. A stop order is therefore a "sleeping" order until the stop price is reached or breached. Sell stop orders are generally used to limit a loss or to protect a profit on a financial instrument. To ensure that stop orders are not filled at unreliable prices during short periods with abnormally wide bid/ask spreads (caused by, for instance, the release of key economic figures), the Company implements spread filters preventing order execution when spreads exceed certain levels.

- **Trailing stop order**

A trailing stop order is a stop order as described above, but the trailing stop price moves according to parameters set by the Client. This way, the trailing stop can be used to sell if the

price drops more than a specified distance from the highest price traded or to buy if the price trades above a set level from the lowest traded price. The Company may allow the Client to further customize the manner in which their stop (or stop-limit orders) is triggered. The Client may change the trigger method to include or exclude certain criteria based on their specific trading objectives.

- **Stop-limit order**

A stop-limit order is a variation of a stop order with a lower (or higher) limit price to suspend trading if the price falls (or rises) too far before the order is filled, restricting trading to a predefined price range. Once the stop price is reached, a stop-limit order becomes a limit order that will be executed at a specified price (or better).

The Company may offer the Client several ways to submit stop and stop-limit orders. On most venues, the Company implements and manages stop (or stop-limit) orders in our systems, submitting market (or limit) orders to the venue when the trigger price specified by the Client has been reached and passed. On some venues, the Company may submit stop and/or stop-limit orders using the venue's native order type. For each venue on which the Client may trade, the Company will specify whether stop and/or stop-limit orders are managed by us or submitted using the venue's native order type. For stop and stop-limit orders that the Company manages, unless the Client specifies otherwise when submitting the order, the order will be triggered, and a market (or limit) order will be submitted for execution when the venue on which the financial instrument is traded is open, has a valid bid/ask quote for the instrument, and the last sale price for the instrument is at or above (for buy stop orders) or at or below (for sell stop orders) the trigger price specified by the Client.

## 10. Execution Venues

The Company evaluates and selects the Execution Venues based on a number of criteria, including (but not limited to) the following:

- a) The regulatory status of the institution;
- b) The ability to handle large volume of Orders;
- c) Speed of response to a Request For Quotation and the speed of execution;
- d) The competitiveness of commission rates and spreads;
- e) The reputation of the institution;
- f) The ease of doing business;
- g) The legal terms of the business relationship;
- h) The financial status of the institution;
- i) Various qualitative criteria such as clearing schemes, circuit breakers, and scheduled actions.
- j) Having access to an execution venue on a permanent basis.

The Company places different levels of importance on each of the criteria mentioned above, using its commercial judgment and experience in light of the information available in the market.

In general, the Company places significant importance on the choice of its Liquidity Providers, as it strives to offer, on a consistent basis, the best execution to its Clients. Upon the Client's request, data on execution venues can be provided.

The Company randomly selects a sufficiently large sample of trades to ensure, with a high level of statistical confidence, that it consistently obtains and will continue to obtain the best possible results for the Clients. This is verified by selecting samples from different periods of time and for different instruments.

Furthermore, the Company shall not receive any remuneration, discount, or non-monetary benefit for routing client orders to a particular trading venue or execution venue if such remuneration would infringe upon the requirements regarding conflicts of interest or inducements under the Law.

The Company shall monitor the quality of execution received from its Liquidity Providers and regularly assess the market landscape to determine whether alternative venues could be used to consistently achieve the best results for its Clients.

### **11. Data Publication**

The Company shall summarize and make public, on an annual basis and before the 30th of April following the end of the period to which the report relates, the top five execution venues in terms of trading volumes where it executed client orders in the preceding year, along with information on the quality of execution obtained for each class of financial instruments.

The publication shall include the following information:

- a) Class of financial instruments;
- b) Venue name and identifier;
- c) Volume of client orders executed on that execution venue, expressed as a percentage of total executed volume;
- d) Number of client orders executed on that execution venue, expressed as a percentage of total executed orders;
- e) Percentage of executed orders that were passive and aggressive;
- f) Percentage of orders referred to in point (d) that were directed orders;
- g) Confirmation of whether the Company executed an average of less than one trade per business day in the previous year for that class of financial instruments.

The above-mentioned information is published on the Company's website <https://wisdompointcapital.com>.

### **12. Monitoring and Review of Execution Quality**

The Company shall monitor the effectiveness of the Best Execution Policy on a regular basis, particularly focusing on the execution quality of the entities identified in the "Execution Venues" section of this Policy and, where appropriate, correct any deficiencies. This monitoring shall be conducted on both an ex-ante and ex-post basis.

In particular, the Company shall regularly assess whether the execution venues used provide the best possible result for the client, considering the information published in accordance with this Policy. If necessary, the Company will adjust its execution arrangements.

To ensure adherence to the Policy and maintain the highest standards of service, the following indicators are monitored daily by the Head of the RTE Department:



- **Likelihood of Execution (%):**  
This indicator reflects the probability of an order being successfully executed under current market conditions. The Head of RTE Department monitors this percentage daily to ensure that the order handling and execution strategies are effective and aligned with market dynamics.
- **Shares Executed at Current Market Quote or Better (%):**  
This indicator measures the proportion of shares executed at the prevailing market quote or at a more favorable price. By tracking this on a daily basis, the Head of RTE Department assesses the Company's ability to consistently achieve favorable pricing for the clients, which is a core aspect of delivering best execution.
- **Average Execution Speed (Seconds):**  
This indicator represents the average time taken to execute orders, which is crucial for evaluating the efficiency of execution processes. The Head of RTE Department reviews this metric to ensure that orders are being executed promptly and in a manner that aligns with the best execution obligations.

These indicators are essential for the continuous assessment and improvement of execution quality, allowing the Head of the RTE Department to identify potential issues and take corrective actions as necessary to maintain optimal execution performance.

The results of the ongoing execution monitoring shall be escalated to the Company's senior management, which shall decide on the necessary amendments or improvements to the Company's Best Execution Policy and execution arrangements.

Where the Client makes reasonable and proportionate requests for information about the Company's policies or arrangements and how these are reviewed, the Company shall provide clear answers within a reasonable time.

### **13. Review of the Policy**

This Policy shall be reviewed at least annually by the Company's Compliance Officer and approved by the Company's Board of Directors. Such a review shall also be carried out whenever a material change (i.e., a significant event that could impact parameters of best execution such as cost, speed, likelihood of execution and settlement, size, nature, or any other consideration relevant to the execution of the order) occurs that affects the Company's ability to continue to obtain the best possible result when executing clients' orders.

The Compliance Officer of the Company shall perform regular monitoring of the effectiveness of the Policy. The Company shall immediately correct any deficiencies identified by monitoring. In particular, the Company shall assess, on a regular basis, whether the execution venues included in this Policy for order execution provide the best possible result for the client.

The Company shall ensure, at all times, that the design and review process of this Policy are appropriate and take into account any new services or products offered by the Company.

The Company shall notify clients with whom it has an ongoing relationship of any material changes to its order execution arrangements or to this Policy.

#### **14. Record Keeping**

The Company will maintain records of all orders for a minimum period of five (5) years, even after disengagement with the client, in accordance with applicable law.

At the request of a client, the Company will provide a written explanation of how it has executed their orders in accordance with this Policy. The Company will take all appropriate measures to address such requests in a timely manner.

#### **15. Questions**

For further enquiries regarding this Policy, kindly contact the Company via e-mail at [customers@wisdompointcapital.com](mailto:customers@wisdompointcapital.com).