



FINCO TREASURY MANGEMENT LIMITED

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A Limited Liability Company registered in Malta on 9th November 1994, Registration No. C17017

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Prepared by: Finco Treasury Management Ltd.

MiFID II Top 5 Venue Reporting Commentary

The Markets in Financial Instruments Directive - MiFID II mandates that investment firms, as part of their best execution obligations, report their top five venues for all trading on behalf of clients. Firms are required to make an annual public disclosure detailing these order routing practices for retail and professional clients across all asset classes.

Requirement of the Directive

Best execution rules are intended to protect investors by ensuring that investment firms seek the best possible result for their clients, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

For each class of financial instruments, Investment firms are to publish a summary of the analysis and conclusions they draw from their detailed monitoring of the quality of execution obtained on the execution venues where they executed all client orders in the previous year. The information shall include:

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;

Finco Treasury Management Ltd (FTM) ensures that execution quality is regularly reviewed by internal controls as to whether the best possible result is achieved.

FTM deals in three asset classes, namely Equities (Shares), Debt Instruments (Bonds) on both the local and international markets. Exchange Traded Products are dealt on the international markets only. FTM does not deal in Currency Derivatives (Swaps, forwards and other currency derivatives).

b. a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;

FTM transacts all local bond and equity orders through the Malta Stock Exchange and all international security orders through UBS Switzerland AG. All international orders are passed through a 'smart order routing' process which ensures that each deal is filtered through circa 180 international brokers by UBS Switzerland AG to ensure obtaining the best possible bid or offer prices at that particular moment.

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

FTM has no specific arrangements with any execution venues regarding discounts, rebates or non-monetary benefits.

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;

FTM confirms that no changes have occurred in execution venues during 2020

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;

All FTM customers are categorised as either Retail, Professional or Eligible counterparties, and all orders are treated equally.

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;

In addition to ensuring immediate best price and cost, FTM ensure speed of execution. All orders are executed electronically through dedicated online trading platforms within seconds of receipt of order.

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 [RTS27];

With regards to assessing the quality of order execution Finco ensures that:

- All securities traded are dealt at a price which is better than that which is quoted by Bloomberg
- Traders are skilled, well trained and with access to the latest trading tools and platforms.

h. where applicable, an explanation of how the investment firm has used output of a consolidated tape provider

Not applicable. There are currently no consolidated tape providers in Europe.

The data above is based on execution data during the period from 1st January 2020 to 31st December 2020 inclusive. This new legislation requires the reporting of executed orders in three bands - passive, aggressive or directed orders. No directed orders have been received by Finco during 2020. Passive and Aggressive orders are noted in the noted in the Quantitative Report.