

TRADE | CAPITAL MARKETS

EXECUTION QUALITY SUMMARY STATEMENT FOR 2020



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1 INTRODUCTION, SCOPE AND PURPOSE OF THIS DOCUMENT

Trade Capital Markets (TCM) Ltd (“**TCM**” or the “**Company**”) is an investment firm, incorporated in Cyprus as a private limited liability Company under the provisions of the Cyprus Companies Law, Cap. 113. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission (“**CySEC**” or the “**Commission**”) under license number 227/14 for the conduct of designated investment business in the Republic of Cyprus and other jurisdictions and by the Financial Sector Conduct Authority (“**FSCA**”) in South Africa as a foreign Financial Services Provider under license number 47857.

TCM is focused on offering investment services to retail and professional clients through a “Business-to-Consumer” (“**B2C**”) business segment representing online trading via the website www.trade.com and to eligible counterparties through a “Business-to-Business” (“**B2B**”) business segment via the offering of liquidity to other regulated brokers.

The Execution Quality Summary Statement (the “**Document**”) gives insights to the general public and to investors on how orders are being executed on behalf of clients, as well as underlying factors that may influence and affect the ultimate order execution.

The publication frequency of the Document is once per annum, with all disclosures included referring to the year ended 31 December 2020, whereby the said date is to be known as the “reference date”.

The Document is published on the Company’s websites www.tradecapitalmarkets.com and www.trade.com.

2 REGULATORY CONTEXT

The Document has been prepared and published in adherence to the Commission’s Delegated Regulation (EU) 2017/576 (hereinafter “**RTS 28**”) and is compliant with Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (“**MiFID II**”), the amending Directive 2002/92/EC, along with Directive 2011/61/EU particularly Article 27(10)(b) and with Law 87(I)/2017 of the Republic of Cyprus regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets (the “**Law**”).

The Company is committed to provide, on a continuous basis, an exceptional level of service to its investors, with diversified products and asset classes, while simultaneously ensuring complete adherence to the aforementioned Laws and Directives, to guarantee that investors achieve the best possible execution results on a consistent basis.

3 TREATING CUSTOMERS FAIRLY

The Company strives to provide to its clients a clear understanding and guidance on the products being offered. The Company’s goal is to ensure that clients are provided with appropriate products and that transparency is kept at optimal levels on a continuous basis.

The Company has a duty towards its clients to act honestly, fairly and professionally at all times. Furthermore internal policies and Code of Conduct procedures aim to keep performance at the highest level of professional standards.

4 BEST EXECUTION MONITORING

The Company, always taking into consideration the interests of its investors, constantly monitors the delivered execution quality. Proper and adequate monitoring is achieved by taking into consideration the following execution factors, with each factor having an associated relative importance attached to it.

Factors	Importance	Description
Price	High	<p>Price is considered to be the most important factor for the Company when assessing Best Execution, and to that effect access to multiple Liquidity Providers ("LPs") has been secured.</p> <p>Daily monitoring is conducted by the Company's Dealing Department, by comparing the prices quoted from the trading platforms with other LPs multiple times per day and assessing whether the price feeds allow for Best Execution on investor orders on a consistent basis. The methodology used is regularly audited and adjusted should it be deemed necessary.</p> <p>Furthermore, monthly Best Execution reports are performed to ensure that the actual execution prices obtained by investors are in line with the preliminary requested prices.</p>
Costs	High	<p>The Company has established and implemented a Liquidity Hub which primarily aims to keep investor transaction costs low and competitive. In addition, the Liquidity Hub facilitates in optimizing the existing trading infrastructure and eliminating certain elements such as intermediaries or counterparties whose presence is not justified for the overall execution quality and thus making the execution process as cost-effective as possible.</p> <p>The Company operates on the notion of being transparent, particularly on the charges and fees applicable to its investors. To this effect, all charges and fees are available on the "Charges and Fees" section of the Company's website.</p>

Speed of Execution	High	<p>All client orders are executed with "no-dealing desk execution", meaning that automated execution engines are utilized by the Company to ensure that manual intervention in order execution is avoided and thus the possibility of delays is minimized.</p> <p>Speed of execution is assessed on a daily basis by the Company's Dealing Department, with any failures or erroneous execution speeds being investigated and subsequently rectified.</p> <p>The Company has proceeded to optimize its trading infrastructure by allocating its trading servers to reliable data centers like Equinix and LD4, and has ensured optimal connections are established with the respective LPs and market data vendors. The aforementioned actions guarantee that the Company's investors are provided with stable and fast connections to the trading platforms, as well as faster execution and real-time market data.</p>
Likelihood of Execution	Medium	<p>The Company's trading platforms either accept or reject orders, depending on market or other underlying factors. The likelihood of execution generally depends on the liquidity available in the market and the depth of liquidity pools attained by the LPs.</p> <p>The Company relies on third-party LPs for the price and volume of orders to be executed, thus resulting in order execution being dependent on the time the orders have been received by the LP, as low liquidity and abnormal trading conditions contribute to increased order rejections which affect the investors.</p> <p>An assessment of likelihood of execution is conducted on a daily basis by the Company's Dealing Department.</p>
Size	Low	<p>The Company ensures that execution arrangements remain uniform when performing execution on unusually large orders, and that all factors influencing the potential outcome of an order being filled remain the same, at all times, irrespective of the order type.</p>
Other Factors	As applicable	<p>Varies depending on the arising circumstances.</p>

5 COMMON OWNERSHIP AND CONFLICTS OF INTEREST

The Company acts as principal (i.e. Matched Principal) to its investors' transactions, and by doing so entails that all investor trades are matched with the respective Execution Venues. The Company does not share any close links and does not have any conflicts of interest or common ownership with any of the associated Execution Venues.

6 DISCLOSURE POLICY

The below information provide a summary in regards to important aspects of this Document.

Liquidity Providers

During 2020, the Company maintained liquidity agreements with five LPs that are domiciled in the European Union. The purpose of maintaining multiple liquidity agreements is to constantly act in the best interest of investors and ensuring an optimal level of service is achieved.

Client Categorization

The Company classifies its investors as being either retail or elective professionals. Client classification does not alter the methodology by which an investor's order is processed for execution, however there is an acknowledgement on the variation in trading nature between the two client categories. Retail investors are primarily interested in the price and costs factors, however elective professionals are mostly interested in other factors such as likelihood of execution and speed of execution.

Data and Tools

Industry-leading price and execution technology software is utilized by the Company, along with a Liquidity Hub which enables the sending and receiving of prices, the processing and execution of investor execution requests and the generation of automatic reports. These reports are reviewed by the Company's Dealing Department on a constant basis to evaluate the quality of execution and should it be deemed necessary, to proceed with any remedial actions.

7 INFORMATION ON THE OFFERED PRODUCTS

Contracts for Difference

The Matched Principal trading model is implemented and as such the Company acts as the sole Execution Venue for investor orders on contracts for difference ("CFDs") and instantaneously all orders are matched with the respective Execution Venues.

Clients can access the Company's CFD offering through the following platforms:

- Trade.com Web Trader
- Trade.com Mobile Trader
- MetaTrader 4
- Metatrader 4 Mobile

Furthermore, the CFD offering is comprised of the following asset classes:

- Bonds
- Commodities
- Forex
- Cryptocurrencies

- Indices
- Stocks
- ETFs

8 INFORMATION ON THE TOP FIVE EXECUTION VENUES

The following tables provide the relevant information regarding the top five Execution Venues for CFDs, decomposed per the investor classifications of retail and elective professionals.

In adherence to the Company's obligation to ensure complete transparency, the following definitions apply to the relevant order types as depicted in the below tables:

- Passive Order: An order entered in the order book, that has provided liquidity;
- Aggressive Order: An order entered in the order book, that took liquidity;
- Directed Order: An order where the execution venue was specified by the client before the order was executed.

Table 1: Retail Clients

Class of Financial Instrument	Contracts for Difference				
Notification if <1 average trade per business day in the previous year	No				
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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
Trade Capital Markets (TCM) Ltd (549300REMV7VLGS16J07)	100%	100%	0%	100%	0%

Table 2: Elective Professional Clients

Class of Financial Instrument	Contracts for Difference				
Notification if <1 average trade per business day in the previous year	No				
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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
Trade Capital Markets (TCM) Ltd (549300REMV7VLGS16J07)	100%	100%	0%	100%	0%