

## Invicta Securities Limited – RTS 28 Best Execution Report

As a matched principal broker, Invicta Securities Limited (“ISL”) is required to publish, on an annual basis, a statement of the top five Execution Venues by volume, for each class of financial instrument traded.

This report covers the period from 1<sup>st</sup> January 2018 to 31<sup>st</sup> December 2018.

In accordance with regulatory requirements this report is aimed at ISL’s **professional clients**. It is also required to be publicly disclosed and ISL has elected to make this report available on its website. The aim of this report is to provide meaningful information to our clients, so they can effectively assess the execution quality achieved by the firm during the year.

### Disclosure of Asset Classes

The European Supervision and Markets Authority (ESMA) has defined thirteen different asset classes. In accordance with the investment mandates it has with clients, ISL are active only in those asset classes indicated in the table below. There is no requirement on ISL to specify the sub-classes of assets within which the firm is active.

Asset Class	Sub-classes	
Equities – shares and depositary receipts	(i) Tick size liquidity bands 5 and 6 (from 2000 trades per day)  (ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)  (iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)	
Debt instruments	(i) Bonds  (ii) Money markets instruments	✓
Interest rate derivatives	(i) Futures and options admitted to trading on a trading venue  (ii) Swaps, forwards, and other interest rates derivatives	
Credit derivatives	(i) Futures and options admitted to trading on a trading venue  (ii) Other credit derivatives	
Currency derivatives	(i) Futures and options admitted to trading on a trading venue  (ii) Swaps, forwards, and other currency derivatives	
Structured finance instruments		

Equity derivatives	(i) Options and Futures admitted to trading on a trading venue  (ii) Swaps and other equity derivatives	
Securitized derivatives		
Commodities derivatives and emission allowances derivatives	(i) Warrants and Certificate Derivatives  (ii) Other securitized derivatives	
Contracts for difference		
Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)	(i) Options and Futures admitted to trading on a trading venue  (ii) Other commodities derivatives and emission allowances derivatives	
Emissions allowances		
Other instruments (including OEICs, Unit Trusts and UCITS funds)		

## Top 5 venues for the execution of client orders

The following table shows the top 5 venues where ISL executed orders for each of the asset classes in which we were active during the period under review.

<b>Class of Instrument</b>	<b>Equities</b>				
Notification if <1 average trade per business day in the previous year	Y/N				
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 number of traded as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
	%	%	%	%	%
<b>Class of Instrument</b>	<b>Exchange Traded Funds</b>				
Notification if <1 average trade per business day in the previous year	Y/N				
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 number of traded as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
	%	%	%	%	%
<b>Class of Instrument</b>	<b>Fixed Income</b>				
Notification if <1 average trade per business day in the previous year	N				
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 number of traded as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
	%	%	%	%	%
BANCA IMI LEI: QV4Q80GJ70A6PA8SCM14	23.9	na	N/A	N/A	N/A
SOCIETE GENERALE LEI: O2RNE8IBXP4R0TD8PU41	5.50	na	N/A	N/A	N/A

<b>Class of Instrument</b>	<b>Other</b>				
<b>Notification if &lt;1 average trade per business day in the previous year</b>	<b>Y/N</b>				
<b>Top five execution venues ranked in terms of trading volumes (descending order)</b>	<b>Proportion of volume traded as a percentage of total in that class</b>	<b>Proportion of number of traded as a percentage of total in that class</b>	<b>Percentage of passive orders</b>	<b>Percentage of aggressive orders</b>	<b>Percentage of directed orders</b>
	%	%	%	%	%

The following table provides a summary of the analysis and conclusions drawn from the monitoring of the quality of execution obtained on the execution venues where ISL has executed all client orders.

<b>Requirement under Article 3(3) of RTS 28</b>	<b>Response</b>
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;	<p>In circumstances where trades fall inside the scope of best execution under MiFID, the ranking of the Execution Factors will typically be as follows:</p> <ul style="list-style-type: none"> <li>• Price</li> <li>• Speed and/or likelihood of execution</li> <li>• The impact on market prices of executing an order or part of</li> <li>• Likelihood of settlement</li> <li>• Any other consideration relevant to the efficient execution of the order.</li> </ul> <p>The remaining Execution Factors, such as costs, nature of the order and other considerations relevant to the efficient execution of Client transactions are generally given equal ranking. However, where Clients gave the Firm specific instructions as to how they require the transactions to be executed, the duty of best execution was limited to those matters which are not covered by specific instructions.</p>
b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;	No close links or conflict of interests with respect to any execution venues used.
c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;	The Firm does not receive payments, discounts, rebates or non-monetary benefits in its trading arrangements.
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;	Counterparty banks and venues remain on our list of execution venues subject to an authorisation and ongoing monitoring process, which includes, but is not limited to, the counterparty's credit worthiness and financial stability, performance of execution and suitability in relation to the overall execution process

<p>e) an explanation of how order execution differs according to client categorization, where the firm treats categories of clients differently and where it may affect the order execution arrangements;</p>	<p>All clients treated the same.</p>
<p>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;</p>	<p>Not applicable</p>
<p>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 Commission Delegated Regulation (EU) 2017/575 [RTS 27];</p>	<p>ISL did not use any third party data and/or tools relating to quality of execution during the relevant period. The Firm utilises a number of in house processes to analyse the quality of its execution arrangements. The firm will review data issued by other execution venues under RTS 27 once such data information becomes available.</p>
<p>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.</p>	<p>ISL does not currently use any consolidated tape provider for analysis of best execution, but will monitor the availability of such providers and the quality of information provided as part of on-going reviews of our best execution arrangements.</p>