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**WWF**

**BEST EXECUTION POLICY**

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Version 2.1

**2020**

Version	Date	Description
1.0	2017	First Release
2.0	2019	Amended: <ul style="list-style-type: none"><li>- Detailed description of execution factors depending on the financial instruments;</li><li>- Description of the criteria for the selection of the execution venues.</li></ul>
2.1	2020	Annual review

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## 1. Introduction

This document is elaborated by WISE WOLVES FINANCE LTD (“the Company”) for the purpose of Order Execution Policy (the “Policy”) in accordance with the Law, which provides for the provision of investment services, the exercise of investment activities, the operations of regulated markets and other related matters **Law 87(I)/2017**, as subsequently amended from time to time (“the Law”).

Pursuant to the Law, the Company takes all sufficient steps to obtain the best possible result for a client to the extent that it executes an order or a specific aspect of an order following specific instructions from the client relating to the order or the specific aspect of the order.

The Law obliged investment firms when executing clients orders or taking decision to deal in OTC products including bespoke products, the to check the fairness of the price proposed to the client, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products.

The Law also prohibit investment firms to structure or charge their commissions in such a way as to discriminate unfairly between execution venues.

## 2. Scope and Application

This Best Execution Policy provides information in respect to the Company’s approach to Best Execution, and should be read in conjunction with the Company’s General Terms and Conditions for the provision of brokerage and ancillary services, including asset class-specific Annexes which provide further details for consideration.

This Policy applies to both Retail and Professional Clients (as defined in the Company’s Client Classification Policy). If the Company classifies a Client as an Eligible Counterparty, this Policy does not apply to such a Client.

## 3. Financial Instruments

This Policy applies when receiving and transmitting Client Orders or executing orders for the Client in relation to the following financial instruments:

- (1) Transferable securities
- (2) Money-market instruments
- (3) Units in Collective investment undertakings
- (4) Options, futures, swaps, forward rate agreements and any other derivative contracts

This policy only applies with respect to Financial Instruments within the scope of MiFID.

The policy also describes execution principles in relation to the securities financing transactions (“SFTs”).

#### 4. Execution Factors and Criteria of Order Execution

As per the Best Execution Policy, the Company shall consider the following factors in applying BE principal while executing clients' orders:

- **Price**
- **Cost**
- **Size and Nature of the order**
- **Speed of execution**
- **Liquidity**
- **Likelihood of execution**

All these factors are not standalone and are taken into consideration together with other execution factors considerations.

When determining the relevant importance of each execution factor the Company considers the following criteria:

- the characteristics of the client including the categorisation of the client as retail or professional;
- the characteristics of the client order, including where the order involves a securities financing transaction (SFT);
- the characteristics of financial instruments that are the subject of that order;
- the characteristics of the execution venues to which that order can be directed;
- the available Execution Venues to which the order can be directed.

#### 5. Application of the Best Execution Obligation

The obligation to provide Best Execution will always arise in circumstances where the Company is receiving and transmitting orders or executing order on behalf of its clients. Examples of the relevant types of orders that are applicable in these circumstances can be found in the asset class-specific policies contained as appendices to this Policy.

Asset-class specific annexes set out the application of the Best Execution Obligation by financial instruments and product.

#### 6. Client's Specific Instruction

Whenever there is a specific instruction from or on behalf of a Client for the execution of an Order, the Company shall arrange for the execution of the Client order strictly in accordance with the Client's specific instruction.

**WARNING:** It is noted that the specific instructions override the Company's obligation to provide best execution in regard to these particular instructions only in respect of the part or an aspect of the order to which the client's instruction relates.

Examples of such instructions may include, but are not limited to, requests to execute an order over a particular timeframe, or at particular price, market, etc.

## 7. Selection of Execution Venues

The Execution Venues for each product and geomarket (for example US and EEA) include the following entities: stock exchanges, multilateral trading facilities, organized trading facilities, third party systematic internalizers, market makers and other liquidity providers.

The selection of executing brokers or new venues is subject to the Company's selection process, which sets out criteria for the selection and maintenance of the relationship with the counterparties.

If there are no Specific Instructions from the client, the Company will use the following approach to select an Execution Venue for the relevant order:

- a) When executing client orders (or when receiving and transmitting Client Orders) to another execution venue, the Company always chooses the option which provides for the best possible result for the client.
- b) The Company may itself act as an Execution Venue (over-the-counter), when this is not to the disadvantage of the client. When the Company acts as an Execution Venue, it shall use appropriate sources to achieve the best possible result for this order.
- c) The selection process also depends on the market, where the financial instruments is traded: regulated market (RM) or over the counter (OTC).  
For exchange traded products the Company will generally execute client orders directly on the relevant exchange through a third party which is a member of that exchange.
- d) Owing to the nature of some of the markets on which clients effect transactions, the execution venues chosen by the Company are often product driven and there may only be limited venues for the execution of those products. When selecting venues for direct execution the Company will take into account the following qualitative factors: price, cost (including mark ups, mark downs, and spreads) liquidity, credit and settlement risk, market share and speed of access.
- e) If the Client Order relates to a bespoke Financial Instrument (e.g. Structured Notes), the Company will apply to the 3<sup>rd</sup> party – an issuer of that product or agent acting on behalf of the issuer, both subject to an assessment of a fair price. Those orders are usually represent specific instructions and the Company is only obliged to ensure a fair price with respect to the overall instrument. Such products are often treated as a (bound by instructions) fixed-price transaction. The Company can arrange subscription orders for primary market offerings. Where these are offered the Company relies on the manufacturer or its agent acting on behalf of the issuer.
- f) Selection of Execution Venues process includes consideration of factors such as liquidity and price offered, credit and settlement risk, counterparty's performance, and reliability. The assessment of the appropriateness of the Execution Venues also based on analysis of their financial standing, market reputation, regulatory requirements in the country of the counterparty, information from screening and KYC process, assessment of execution quality including, where relevant, taking account of available RTS 27 and RTS 28 Reports, etc.
- g) While executing orders in shared admitted to trading on a regulated market or traded on a trading venue, the Company takes into the account the Article 23 (share trading obligation) of MiFIR (Markets in Financial Instruments Regulation).

The assessment of the execution venues is performed when establishing the relationship with that counterparty and is reassessed regularly, at least on annual basis.

## **8. Order execution and allocation process**

The Company shall 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;
- (c) The Company may aggregate a Client Order with orders from other clients only if prevailing market conditions make this possible and the Company still obtains the best possible result for the client. The Company does not aggregate Client Orders with orders on its own account;
- (d) Where an aggregated Client Order is only partially fulfilled, either due to operational or market conditions, allocation to clients will take place on a proportional basis. Where this is not possible the allocation will be in the best interests of all relevant clients and any allocation will be undertaken on a fair and reasonable basis;
- (e) informs a Retail Client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

The Company may carry out a client order in aggregation with another client order only for achieving economies of scale for the purpose of securing lower prices for Company Clients.

When aggregating clients' orders, the Company shall provide fair and equitable treatment to all clients. The Company does not favor any client account over another and will not carry out client orders in aggregation with another client order, unless the following principles are met:

- (a) it must be unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order to be aggregated;
- (b) it is disclosed to each client whose order to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order.
- (c) where the Company aggregates an order with one or more other client orders and the aggregated order is partially executed, it shall allocate the related trades in accordance with its order allocation policy.

## **9. Client's Consent**

By entering into an Accession Agreement, the client becomes subjected to the Company's Terms and Conditions for the provision of Investment Services, as well as consenting to this Policy.

## **10. Policy Review**

According to the Law the Company shall review, at least on an annual basis its execution policy, as well as its order execution arrangements.

Such a review shall also be carried out whenever a material change occurs that could affect Company's ability to continue to obtain the best possible result for the execution of the clients orders on a consistent basis using the Execution Venues included in this policy.

The Company shall assess whether a material change has occurred and shall consider making changes to the relative importance of the best execution factors in meeting the overarching best execution requirement.

Specifically, the Company shall review:

- whether to exclude or to include additional or different Execution Venues;
- whether to assign different relative importance to the Execution Factors; and
- whether to modify any other aspects of this policy and/or the best execution arrangements, taking account of relevant data sources which may include the information published under relevant RTS 27 Reports and RTS 28 Reports, where applicable.

## **11. Amendment of the Policy and Additional Information**

The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems appropriate.

The Company will notify the clients of any material changes to this Policy and obtain their express consent to the provided changes.

The clients may send questions regarding this Policy or the executed orders to their relationship manager or to: [wwf@wise-wolves.com](mailto:wwf@wise-wolves.com).

## **12. Monitoring of best execution**

The Company shall monitor its best execution arrangements on an ongoing basis to identify and implement any appropriate enhancements.

The Company evaluates, on a risk basis, transactions made when executing clients' orders to which the Best Execution obligation applies for best execution and compliance with this policy through post-execution benchmarking and analysis.

The performed analysis of the execution quality obtained by the Company is provided in the annual RTS 28 Report, which is published on the Company's website following the link: <https://wise-wolves.finance/>.



## ANNEX I. EQUITY INSTRUMENTS

For Equity instruments, the obligation to provide Best Execution will always arise in circumstances where the Company is receiving and transmitting orders or executing order on behalf of its clients.

When executing transactions, the Company will consider the execution factors listed in section 4 of this Policy.

In general, the prioritization of the Execution factors regarding the Equity instruments are the following:

Price  
Costs  
Speed  
Likelihood of execution and settlement  
Size

A variety of criteria will be taken into account by the Company when assessing the prioritization of execution factors, including the appropriate consideration on an individual transaction basis. Criteria for consideration include the characteristics of each individual transaction such as client preferences, market conditions, when the order is received and the size of the order. Generally, the most important execution factors will be the total consideration, which includes price at which the relevant Financial Instrument is executed at and the associated costs.

In case of shares and depository receipts tradable on the centralized trading venues and possessing satisfactory level of liquidity the main factors of best execution are price and costs related to the purchase/sell of the asset for all types of clients.

For the **MOEX** exchange-traded instruments, the Company usually takes into consideration *size, liquidity, and likelihood of settlement* first. Only after analyzing those three factors, the trader could come to understanding whether the order is executable at all given the liquidity and market conditions. Then comes *price and costs*. *Speed* comes last as it may take time to fill the order accounting also that price in these cases does not change fast.

For **internationally traded stocks**, due to higher liquidity and wider list of players involved, *speed* is more important. Then, *price, costs and size* are taken into consideration. *Liquidity and likelihood of execution of order* are normally the last ones to be analyzed.

### Order/Quote Handling

The Company will determine how to handle Client Orders based on the prioritization of execution factors and considering any particular criteria or instructions provided.

The order is routed to Execution Venues by using Direct Market Access (“DMA”). The execution strategy employed will take into account any information that the client provides, together with Company’s knowledge of the relevant instrument and the market in which the client is seeking to execute.

### Execution Venues

A summary of Execution Venues that are used by the Company through other third party Brokers for transacting Equity instruments, can be found on the Company’s website: <https://wise-wolves.finance/>.

## ANNEX II. DEBT INSTRUMENTS

For Debt Instruments being Bonds, the obligation to provide Best Execution will always arise in circumstances where the Company is receiving and transmitting orders or executing order on behalf of its clients.

A variety of criteria will be taken into account when assessing the prioritization of execution factors. Criteria for consideration include the characteristics of each individual transaction such as client preferences, market conditions, when the order is received and the size of the order. Generally, the most important execution factor for clients will be the price at which the relevant Financial Instrument is executed at and the associated costs.

However, in more illiquid markets, the primary execution factors may vary. As such, the non-price factors likelihood and speed of execution and settlement as well as size or nature of the order (incl. instrument liquidity) may be as important as the factor price (and costs).

When executing transactions, the Company will take into account the execution factors listed in section 4 above of the Policy.

In general, the prioritization of the Execution factors regarding the Equity instruments are the following:

### For orders in a liquid instrument:

- Price
- Speed
- Size
- Likelihood of execution
- Costs
- Other considerations

### For orders in an illiquid instrument:

- Likelihood of execution
- Price
- Size
- Speed
- Costs
- Other considerations

**Sovereign treasury bonds (such as UST, B, DBR, etc.)** have *speed* of execution as the highest priority, since such papers are the most actively traded on the market among this class of instrument and prices are changing dramatically fast due to high liquidity and volatility. Then come *costs*, as most brokers propose pure market price (with no markup) and introduce the fee of execution separately. *Size and nature of the order* follows that, as Broker estimates whether the size and nature of the order are typical and logical for the client. *Likelihood of execution* stays on the fourth place again due to extremely good liquidity in such papers. *Price* completes the list as due to tiny spreads and regardless the fact the price changes fast, the broker can account that his deal will be executed at the market price.

**Russian corporate bonds (such as CHMFRU, PHORRU, LUKOIL, etc.)** are either state owned or have a good credit rating which is just 1-2 notches lower than the country one. *Price and costs* are staying on the 1<sup>st</sup> and 2<sup>nd</sup> place here correspondently. This factors arise on the first places as regardless the credit quality spreads in this papers are wider then in treasury papers and prices the Broker receives depend not only on the market

on the spot, but also the position /view of the seller. *Likelihood of execution* comes next as the Broker should avoid short selling which can take place as the seller may have a certain view on the paper. Usually liquidity in such papers is quite good and rich, so the Broker does not prioritize this factor. Regardless the high frequency of market trades in such papers and high liquidity the price does not fluctuate much on the spot, so *speed of execution* does not prevail on the above factors. The last comes *size and nature of the order*. The fact that the client is eager to buy even a big size of such papers is not considered as extraordinary one as this asset may be a good hedge against market volatility and rather a secure investment.

**International corporate bonds (like Lenovo, LYB, INTNED)**, which belong predominantly to Investment Grade Category still have *price* as the priority. Since the trading capacity is as well determined geographically *liquidity* stays just after the price, followed by *costs* that may arise. The size of issue of such bonds is usually rather decent, and, given this factor and the fact they are IG, so likelihood of execution remains rather high as a more than satisfactory amount of market players are involved in trading of such papers. *Speed of execution* does not influence the price or costs too much; such papers are not speculative and are usually held on the position with a certain view. This is as well the reason for the *size and nature of the order* to stay last here, as those papers can occupy rather a solid part of s portfolio given good credit rating and liquidity.

**Illiquid bonds (like CLISA)**. This kind of bonds are either of rather issue size or/and low credit rating. In such papers the main thing the Broker to consider is *liquidity and likelihood of execution* meaning whether it is possible to find the paper on the market and if this paper can be settled easily. After comes the factor of the *size and nature* of the order as big sizes are really uneasy to source. Since illiquid papers are being traded by very limited amount of market participant and the spreads are very wide – the *prices* may vary a lot and additional *costs* can be implemented. So, this is another part of the order execution to be analyzed. *Speed* is the last factor to be taken into consideration here as due to the factors mentioned above the sourcing for the paper on the market may take significant time due to low liquidity and prices that may differ a lot.

### Order/Quote Handling

The Company will determine how to handle Client Orders based on the prioritization of execution factors and taking into account any particular criteria or instructions provided. Orders for Bonds may be placed with the Company through a variety of means. Orders placed manually (phone orders or in paper) or through electronic means (email or electronic personal account) will be dealt with by the Broker, who will determine the strategy on handling Client Orders, based on the prioritization of execution factors above and taking into account any particular criteria or instructions provided.

A Client Order in Bond or similar financial instrument is executed manually with a counterparty (the Company usually request quotes from at least 3 dealers) considering the Best Execution factors. In case of delay from the dealers' side, the Broker will determine the strategy on handling Client Orders based on the prioritization of the existing execution factors.

In order to protect the best interests of the clients, to provide Best Execution (best price) and due to the peculiar market structure (for Bonds and similar instruments), the Company will prioritize the execution of the full order size at the best price versus partial execution.

The execution strategy may result in routing a Client Order to one or more Execution Venues immediately or working the order over some period of time. The execution strategy employed will take into account any information that the client provides to the Company, together with its knowledge of the relevant instrument and the market in which the client is seeking to execute in.

### Execution Venues

A summary of Execution Venues that are used by the Company through other third party Brokers for transacting Bond instruments, can be found on the Company's website: <https://wise-wolves.finance/>.

## ANNEX III. EXCHANGE TRADED DERIVATIVES

For Exchange traded derivatives (ETD) the obligation to provide Best Execution will always arise in circumstances where the Company is receiving and transmitting orders or executing order on behalf of its clients.

A variety of criteria will be taken into account when assessing the prioritization of execution factors, including the appropriate consideration on an individual transaction basis. Criteria for consideration include the characteristics of each individual transaction such as client preferences, market conditions, when the order is received and the size of the order.

Generally, the most important execution factor for clients will be the *price* at which the relevant Financial Instrument is executed.

These instruments are typically traded only on the Execution Venue of their listing and application of best execution is therefore limited to liquidity available on the relevant Execution Venue for the instrument.

Unless stated otherwise, across all exchange traded derivative products the ranking of the execution factors are typically as follows:

1. Price
2. Speed of execution

The remaining execution factors – *cost, likelihood of execution, order size, nature of the order* and any other consideration relevant to the efficient execution of client order - are generally given equal ranking.

### Order/Quote Handling

The Company will determine how to handle Client Orders based on the prioritization of execution factors and taking into account any particular criteria or instructions provided. Orders for ETDs may be placed with the Company through a variety of means. Orders placed manually (phone orders or in paper) or through electronic means (email or electronic personal account) will be dealt with by the Broker, who will determine the strategy on handling Client Orders, based on the prioritization of execution factors above and taking into account any particular criteria or instructions provided.

The order is routed to Execution Venues by using Direct Market Access (“DMA”). The execution strategy employed will take into account any information that the client provides, together with Company’s knowledge of the relevant instrument and the market in which the client is seeking to execute.

Once an order has been received it may be split for execution in accordance with any accompanying specific instructions.

### Execution Venues

A summary of Execution Venues that are used by the Company through other third party Brokers for transacting ETD, can be found on the Company’s website: <https://wise-wolves.finance/>.

## ANNEX IV. OTC DERIVATIVES

For OTC Derivatives instruments the obligation to provide Best Execution will always arise in circumstances where the Company is receiving and transmitting orders, routing orders to an Execution Venue (incl. third party Market Makers or other external Liquidity Providers) or trading in a principal capacity. These instruments are typically traded on a request for quote basis, where the Company aims to receive all available price quotes subject to existing infrastructure, including where the Client approaches the Company for a quote and the client ultimately decides whether to proceed with the transaction based upon the price provided by the Company and those of other liquidity providers from whom the quote was sourced. When executing orders on an OTC basis, the Company checks the fairness of the price proposed to the client by analyzing market data used in the estimation of the price of such product and, where possible, by comparison with relevant products.

Execution of orders on OTC markets carries additional risks due to the fact that the OTC transactions may be subject to increased counterparty risk and settlement risk, as those transactions are not covered by the clearing and settlement rules of the relevant trading venue and central counterparty. When executing OTC transactions on behalf of clients, the Company may use various settlement option, including DVP (Delivery Versus Payment) arrangements, via central clearing houses to mitigate/eliminate counterparty and settlement risk.

When executing transactions where Best Execution applies, the Company will take into account the execution factors listed in 4 of this Policy.

A variety of criteria will be taken into account when assessing the prioritization of execution factors, including the appropriate consideration on an individual transaction basis. Criteria for consideration include the characteristics of each individual transaction such as client preferences, market conditions, when the order is received and the size of the order. Generally, an important execution factor for clients will be the price at which the relevant Financial Instrument is executed at. As part of the price finding process for OTC Derivative transactions, the Company will also take into consideration a number of other execution factors such as liquidity of the underlying, maturity of the transaction, counterparty credit risk and platform/technology dependencies.

As such, the non-price factors likelihood and speed of execution and settlement as well as size or nature of the order (incl. instrument liquidity) may be as important as the factor price (and costs).

Generally, prioritize execution factors are as follows:

### **For Equity OTC options:**

- Price
- Size
- Costs
- Speed
- Likelihood of execution
- Other considerations

### **For Fixed Income OTC derivatives, due to the higher level of standardization (and thus lower level of complexity) of the instruments:**

- Price

Size  
Costs  
Speed  
Likelihood of execution  
Other considerations

**For Commodity OTC derivatives, due to the complexity of some instruments and the illiquidity of certain underlying:**

Likelihood of execution  
Price  
Size  
Speed  
Costs  
Other considerations

### **Order/Quote Handling**

The Company will determine how to handle Client Orders based on the prioritization of execution factors and taking into account any particular criteria or instructions provided. Orders for OTC Derivatives may be placed with the Company through a variety of means. Orders placed manually (phone orders or in paper) or through electronic means (email or electronic personal account) will be dealt with by the Broker, who will determine the strategy on handling Client Orders, based on the prioritization of execution factors above and taking into account any particular criteria or instructions provided.

### **Execution Venues**

A summary of top counterparties that are used by the Company for OTC Derivatives, can be found on the Company's website: <https://wise-wolves.finance/>.

## ANNEX V. STRUCTURED NOTES

### Primary and Secondary Market third party-issued Structured Notes

The Company does not issue its own Structured notes and use the services of third-party provider/issuer or their agents.

For this type of products, the Company's business strategy requires all parameters of the order to be pre-determined by the Client. The product then will be customized as per client's request (Currency pair, Maturity, Size, Yield, Strike, etc.).

### Order/Quote Handling

The Company executes Client Orders for third party-issued Structured Notes in the primary and secondary market through the third-party provider/issuer or their agents.

### Execution Venues

A summary list of top counterparties is placed on the Company's website: <https://wise-wolves.finance/>.

The *Venue and Broker assessment* is the first stage in achieving Best Execution for the Company's agency business by pre-selecting those Execution Venues and Brokers that enable the Company to provide Best Execution on a consistent basis. This process will be conducted periodically – at least once per year and if required also on an ad-hoc basis.

The assessment of Execution Venues and Brokers is based on the factors as described in section 7 of this Policy, that enables the Company to obtain the best possible result when executing orders for their clients. In addition, data that will be provided by other market participants, like the Top 5 Execution Venues Report by Investment Firms, and the Execution Quality Report by Execution Venues will be considered during the periodic assessment.

In addition, Top 5 Execution Venues Report and Execution Quality Report provided by Investment Firms and Execution Venues respectively (on which the Company may place significant reliance) will be considered during the periodic assessment.



## ANNEX VI. SECURITIES FINANCING TRANSACTIONS (SFTs) – REPURCHASE TRANSACTIONS

### Repurchase Agreements

Execution policy for the SFTs takes into account the nature of such transactions involves the following characteristics:

- (i) the Client initiates the transaction and requests to enter into repurchase transactions for the purposes of providing client funding, or, in respect of reverse repo transactions, where the client is seeking to obtain the relevant securities;
- (ii) the nature of the market is such that the Client will generally have multiple potential repurchase counterparties and will likely shop around to find availability, and the best repurchase rate in respect of the securities subject to the repurchase agreement; and
- (iii) particularly with respect to repurchase transactions which are bespoke in nature, whether by reference to the tenor or other specific characteristics of the transaction, the repurchase rate can be the subject of significant negotiation. While there is not a single source of repurchase rate data in the market, Client will have the ability to access information with respect to repurchase rates from other potential repurchase counterparties.

The Company considers that the best execution factors for this type of transaction are different to transactions in other financial instruments because of the nature of the transaction as an ongoing collateralized transaction which is not settled to the market daily. Additionally, the Company takes into account that the SFTs are used as a source of funding and the terms are defined by the counterparties ahead of the execution.

The ranking of the execution factors should typically be as follows:

1. Price
2. Quality of the collateral
3. Operational efficiency and reliability
4. Creditworthiness of the counterparty

“Price” in this context means the rate which the Client will receive for the loan of its securities.

“Operational efficiency and reliability” means the likelihood of a failure in terms of settlement, the posting of margin or processing of corporate actions.

The remaining execution factors – likelihood of execution, costs, speed, transaction size, nature of the transaction and other considerations relevant to the efficient execution of the Client transaction - are generally given equal ranking.

Note that where the Client provides specific instructions in respect of the securities lending transaction, the duty of best execution will not apply in respect of aspects of the transaction covered by those specific instructions.

### Execution Venues

A summary list of top counterparties that are used by the Company for Repurchase Agreements can be found on the Company's website: <https://wise-wolves.finance/>.

## **ANNEX VII. CURRENCY DERIVATIVES**

Currency derivatives are typically traded on a request for quote basis, including where the Client approaches us for a quote or is responding to our streamed prices through electronic platforms where the Company predominantly acts in a principal capacity and the Client ultimately decides whether to proceed with the transaction based upon the price provided by the Company or those of other liquidity providers from whom the quotes were sourced/accessed.

In such cases the ranking of the execution factors would typically be as follows:

- Price
- Likelihood of execution and settlement

The remaining execution factors, to the extent relevant – costs, nature of the order and other considerations relevant to the efficient execution of the Client order - are generally given equal ranking.

### **Execution Venues**

A summary of Execution Venues that are used by the Company through other third-party Brokers for Currency derivatives can be found on the Company's website: <https://wise-wolves.finance/>.

## SCHEDULE 1: Definitions

<b>Broker</b>	Means a Company’s counterparty or a liquidity provider through which the Company executes or transmits orders.
<b>Client Limit Order</b>	Client Limit Order means an order to buy or sell a financial instrument at its specified price limit or better and for a specified size.
<b>Client Order</b>	Client Order is a verbal, electronic or written request of the Client to execute a transaction on his behalf regardless of whether the Company is acting in a principal, riskless principal or agency capacity.
<b>Client Specific Instruction</b>	Specific Instructions are instructions provided by the Client to the Company when placing an order for execution, examples of such instructions are, but are not limited to, the selection of a limit price, a period of time the order may remain valid or a request to execute the order on a specific venue.
<b>Execution Quality Report</b>	Under MiFID II Execution Venues are required to report on the execution quality achieved, published on a quarterly basis (RTS 28).
<b>Execution Venue</b>	Execution Venue refers to Regulated Markets, MTFs or OTFs and other liquidity providers or entities that perform a similar function.
<b>Financial Instrument</b>	Financial Instrument is defined in section 3 of this Policy.
<b>Investment Firm</b>	Investment Firm means any legal person whose regular occupation or business is the provision of one or more investment services to third parties and/or the performance of one or more investment activities on a professional basis.
<b>The Law</b>	The Cyprus Law, which provides for the provision of investment services, the exercise of investment activities, the operations of regulated markets and other related matters <b>Law 87(I)/2017</b>
<b>Market Maker</b>	Market Maker means a person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial instruments against that person’s proprietary capital at prices defined by that person.
<b>MiFID II</b>	Markets in Financial Instruments Directive 2014/65/EU of 15 May, 2014 (“MiFID II”) or Cyprus Law, which provides for the provision of investment services, the exercise of investment activities, the operations of regulated markets and other related matters <b>Law 87(I)/2017</b>
<b>Multilateral Trading Facility (“MTF”)</b>	Multilateral Trading Facility (“MTF”) means a multilateral system, operated by an Investment Firm or a Market Operator, which brings together multiple third party buying and selling interests in Financial Instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with the Directive.
<b>Organized Trading Facility (“OTF”)</b>	Organized trading facility (“OTF”) means a multilateral system which is not a Regulated Market or an MTF, and in which multiple third party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with the Directive.

<b>Professional Client</b>	Professional Client means a client who possesses the experience, knowledge and expertise to be able to appropriately assess the risks associated with their own investment decisions (e.g. financial institutions, other authorized or regulated institutions, collective investment schemes and management companies of such schemes, pension funds, and other institutional investors). Retail Clients who fulfill two out of three criteria set up to demonstrate their knowledge and experience might also be considered Professional Clients upon their own request.
<b>Regulated Market</b>	Regulated Market means a multilateral system operated and/or managed by a Market Operator, which brings together or facilitates the bringing together of multiple third party buying and selling interests in Financial Instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorized and functions regularly and in accordance with the Directive.
<b>Retail Client</b>	Retail Client means a client who is not a Professional Client.
<b>Systematic Internalizer (“SI”)</b>	Systematic Internalizer means an Investment Firm which, on an organized, frequent systematic and substantial basis, deals in principal capacity when executing Client Orders outside a Regulated Market, an MTF or an OTF without operating a multilateral system.
<b>Trading Venue</b>	Trading Venue means any Regulated Market, MTF or OTF as defined under MiFID II.
<b>Total Consideration</b>	Price of the Financial Instrument and the costs relating to execution, which shall include all expenses incurred by the client that are directly relating to the execution of the order, including Execution Venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

**CLIENT CONSENT FORM**

**To: Wise Wolves Finance LTD**

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Dear Sirs!

With reference to your Notification letter for client categorization form dated .../.../....., hereby I, (*name, surname /Company's name*) confirm the following:

- I confirm that I have regular access to the internet;
- I consent to have the access to the «WWF Best Order Execution Policy» the official website at <http://www.wise-wolves.finance>;
- I consent to receive further changes to this and other applicable documents that would be posted at the time of their implementation via the electronic means at the website of WWF;
- I confirm that placing the referred documents and information on the website as stated above is suitable and sufficient way of communication;
- I consent to the possibility that my orders submitted to WWF could be executed outside of a regulated market or Multilateral Trading Facility or Organized trading facility ( OTF ) ;
- I hereby consent that WWF will not make public any client's limit order in relation to traded shares, which is not immediately executed, under prevailing market conditions up to normal market size.

For and on behalf of the Client

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