

## WISE WOLVES FINANCE LTD Report on Top Five Execution Brokers for the year 2022

Client Type	Professional Clients				
Class of Instrument	Equities - Shares and Depositary Receipts, ETFs				
Notification if <1 average trade per business day in the previous year	Tick size liquidity bands 5 and 6				
Top five execution venues ranked in terms of trading volumes (descending order)	Yes				
	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
StoneX Financial Inc. (LEI code: <a href="#">549300LNKU6K5TJCRG93</a> )	50.33	52.42	N/A	N/A	N/A
Canaccord Genuity LLC (LEI code: <a href="#">WTX5X269IUOQ9YMI7R44</a> )	46.31	41.26	N/A	N/A	N/A
ALFA CAPITAL MARKETS LTD (LEI code: <a href="#">2549006S7R1401ZC6H27</a> )	2.23	3.35	N/A	N/A	N/A
WISE WOLVES FINANCE (LEI code: <a href="#">254900Y6DFIZ8ZX7WY93</a> )	1.06	2.6	N/A	N/A	N/A
RAIFFEISEN BANK LEI code: <a href="#">9ZHYM6F437SQJ6OUG95</a> )	0,07	0.37	N/A	N/A	N/A

Client Type	Professional Clients				
Class of Instrument	Debt instruments (BONDS)				
Notification if <1 average trade per business day in the previous year	Yes				
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
MERITKAPITAL LIMITED (LEI code: 21380073P7J4PAD91E29)	90.65	59.375	N/A	N/A	N/A
ATONLINE LIMITED (LEI code: <u>213800PZWYFKIOAGQY35</u> )	4.34	21.875	N/A	N/A	N/A
BANCA ZARATTINI & CO SA (LEI 506700LOLO7M6V0E4247)	3,1	9.375	N/A	N/A	N/A
ALFA CAPITAL MARKETS LTD (LEI code: <u>2549006S7R1401ZC6H2Z</u> )	1.9	9.375	N/A	N/A	N/A



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Client Type	<b>Professional Clients</b>				
Class of Instrument	<b>Debt instruments (New Issues)</b>				
Notification if <1 average trade per business day in the previous year	Yes				
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
GENEMOS OÜ (LEI code 894500FVJTXLLNCTCE71)	100	100	N/A	N/A	N/A



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Client Type	Retail Clients				
Class of Instrument	Equities - Shares and Depository Receipts				
	Tick size liquidity bands 5 and 6				
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
StoneX Financial Inc. (LEI code: <a href="#">549300LNKU6K5TJCRG93</a> )	96.81	94.44	N/A	N/A	N/A
Canaccord Genuity LLC (LEI code: <a href="#">WTX5X269IUOQ9YMI7R44</a> )	3.19	5.56	N/A	N/A	N/A

Client Type	<b>Retail Clients</b>				
Class of Instrument	<b>Debt instruments (BONDS)</b>				
Notification if <1 average trade per business day in the previous year	Yes				
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
MERITKAPITAL LIMITED (LEI code: 21380073P7J4PAD91E29)	78.95	88.24	N/A	N/A	N/A
RONIN EUROPE LIMITED (LEI code 213800Z6ZVP4TNER8851)	21.05	11.76	N/A	N/A	N/A



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Client Type	<b>Professional Clients</b>	
Class of Instrument	<b>REPO</b>	
Notification if <1 average trade per business day in the previous year	Yes	
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 percentage of total in that class
ALFA CAPITAL MARKETS LTD (LEI code: <a href="#">2549006S7R1401ZC6H27</a> )	100	100

## Summary of the analysis and conclusions from a Company's execution monitoring per class of financial instruments<sup>1</sup>

**(a) an explanation of the relative importance the Company 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.**

As required by the Investment service Law 87(I) 2017, the Company has an obligation to take all reasonable steps to obtain the best possible results for its clients when executing their orders. Subject to any specific instruction from the Client, the Company provides best execution for clients taking into account the execution factors as described below.

Best Execution applies when the Company is executing an order on behalf of a client in respect of any of the financial instruments covered by the Law.

Best Execution will not apply in case of and in relation to the specific instructions provided by a client to execute the order in a particular manner. Respectively, the Company will satisfy its best execution in relation to the other aspects of the order, to which the specific instructions were not provided by the client.

The monitoring of the Company's performance is undertaken by the trading desk on a daily basis by analysing the execution factors on a transaction level. Furthermore, the Compliance function provides independent review of the best execution requirements by verifying the process based on the ad hoc transactions sampling. The identified deficiencies of the actual performance in comparison with the procedures are analyzed by the Front Office and Compliance at least annually, and the related amendments are incorporated into the internal policies and procedures, where applicable.

In determining the relative importance of these Execution Factors, the Company takes into consideration the following criteria:

- the characteristics of the client (including the classification as a Professional Client);
- the characteristics of the order, including any specific instructions received;
- the characteristics of the financial instrument to which the order relates, including where the order involves a securities financing transaction;
- characteristics of the execution venue(s) to which the order can be directed.

The Company's Best execution policy can be found on our website: <https://wise-wolves.finance/to-become-a-client/>

<sup>1</sup> (Art. 3 of EU Regulation 2017/576)

The Company has elaborated and apply the following execution factors depending on the type of financial instruments:

1) In case of liquid **stocks and depository receipts** (EU and US) tradable on the centralized trading venues and possessing satisfactory level of liquidity the main factors of best execution are *likelihood of execution and costs* related to the purchase/sell of the asset. As all the securities of this segment are being traded DMA (meaning the price, the speed and the liquidity are at the best level by default) the main variable factors are *costs* set by the Agent, and *likelihood of execution* (in terms of possible technical delays in settlement). During the reporting period WWF did not find itself in the situation of trading of highly illiquid stocks or stocks not being traded on centralized venues.

2) In regards of liquid **bonds** (EU/US, LIMIT orders), such factors as *liquidity and size and nature of the order* stand in one row with *likelihood of execution and costs*, since the *price* is predetermined. Depending on the *size* of the order, the Company always assesses the Brokers' ability of providing the whole size at better price. This factor is taken into consideration in close correlation with the factor of *likelihood of execution*. The latter factor is especially important when the bond traded is less liquid and is not being traded frequently by the market participants. In the year of 2022 the interest (driven by market conditions) from the Clients moved towards highly liquid **US/EU Equities (ca 78%)**, hence the percentage of **bond** trading stayed modest. But even in **bonds** universe here US and European Bonds predominated, so in practice for US and EU **bonds** such factors as *speed, price* (if at MARKET) and *likelihood of execution* were considered first.

3) **illiquid bonds** (Risk related to Russia). In the year of 2022 the market faced the conditions where trading Russian risk was rather a crowded trade at some point. WWF also saw some modest interest from the clients in this field and considered *size and nature of the order* to be the most important factor of best Execution (requiring deeper understanding of Clients' needs and intentions). Given that only few players on the market were involved in such trading, *liquidity* came the second here as the factor. Taking into consideration special settlement regime *likelihood of execution* was being estimated as one of the most important factors as well.

4) For the **new issues** settling only locally (domestic) the most important factor was *nature of the order* and understanding and conforming economic sense and *likelihood of execution*. The Company also considers the importance of *trading venue*, i.e. WWF assesses other Brokers/Counterparties according to their ability to fill the order quickly, at better price and without (or with minimized) probability of delays in settlement. The above factors are taken into consideration both for market and limit orders. Even in case of limit order WWF compares the prices not to miss opportunity to execute the order at a better price, though this factor of course is more important for market orders. All the mentioned factors in the context of **stocks and bonds** are of the same importance both for Professional and Retail clients.

5) **EU/US Treasuries**. The year 2022 became a time of increasing interest rates all over the world both in Developed and Emerging Markets. Driven by growing inflation Yields became more attractive for those investors who was eager to invest in super safe assets. Seeing rather a decent interest here WWF put *speed of execution* on the first place due to high volatility of prices. *Costs* and *nature of the order* came after together with *likelihood of execution* as usually the tickets of such trades are solid (over 5 mio).



Considering the **REPO** transactions, the main criteria are always determined by the client, such as *size and price*, and further decision are based on seeking of more favorable conditions for the client in terms of *costs, size and likelihood of execution*.

Given the fact that REPO requires special documentation to be in place, the ability of absorbing the size at the stated price prevails. The *speed of execution* of the transaction is also usually pre-determined by the client by indicating the suitable timeframe for the order execution. In case the Company had specific instructions, where all order parameters were defined by the client, the Company executes such order accordingly and best execution is not provided or only provided in relation to the aspects of the order, which were not specified.

**(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders:**

The Company has no close links, conflicts of interest, and common ownerships with trading venues, brokers or other liquidity providers.

It should be noted that the Company has in a place the Conflict-of-Interest Policy, according to which the Company shall identify and examine any conflicts of interest. All staff involved is aware of the procedures, which must be followed and shall monitor every transaction, assessing the indications of conflict of interests.

When assessing the conflicts, the Company shall prevent any of the following situations, where:

- a) the Company or a relevant person is likely to make a financial gain, or avoid a financial loss, at the expense of the Client;
- b) the Company or a relevant person has an interest in the outcome of a service provided to the Client or of a transaction carried out on behalf of the Client, which is distinct from the Client's interest in that outcome;
- c) the Company or a relevant person has a financial or other incentive to favour the interest of another Client or a group of Clients over the interests of the Client;
- d) the Company or a relevant person carries on the same business as the Client;
- e) the Company or a relevant person receives or will receive from a person other than the Client an inducement in relation to a service provided to the Client, in the form of monies, goods or services, other than the standard commission or fee for that service.

During the assessment the Company also takes into account any circumstances, which may give rise to a conflict of interest arising as a result of the structure and business activities of other members of the Group. During the year 2019 no such cases were identified by the Company.

The Company's Conflicts of Interest policy can be found on our website: <https://wise-wolves.finance/to-become-a-client/>

**(c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received:**

The Company does not receive any incentives (remuneration, discount or non-monetary benefit) for routing client orders to a particular venue.

**(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;**

The selection of brokers and execution venues listed in the Company's best execution policy is generally based on consideration of the following factors:

- the regulatory jurisdiction;
- reputation of the execution broker;
- financial stability and history;
- whether the broker provides for trading in the given instruments;
- satisfying level of reliability of the counterparty;
- competitiveness of commission rates or spreads;
- promptness of execution;
- clearance and settlement capabilities;
- quality of service;
- willingness to commit capital, etc.

The Company has in place the Counterparty Evaluation Policy according to which the execution brokers are subject to the ongoing monitoring process, which includes regular review of the actual performance of the services providers based on the factors described above.

In 2022 Broker terminated trading relationships with ALFA CAPITAL MARKETS LTD (LEI code: 2549006S7R1401ZC6H27) by the BoD as of 07.04.2022 and SIB CYPRUS LIMITED (LEI code F68F5WN6OGTEHIP5ZT82) based on the fact the above mentioned counterparty was included in the sanctions list by OFAC.

**(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:**

Taking into consideration the characteristics of financial instruments and markets in which/where both categories of clients (retail and professional) trade, generally, the priority is given to those factors that allow to deliver the best possible result in terms of the total consideration, representing the price of the financial instrument and the costs related to execution for both categories clients served (retail and professional) and consequently categorization of the client does not impact on order execution arrangements established via execution brokers specified above. In accordance with the execution policy the Company ensures that the execution policy of the execution broker enables the compliance with obligation to execute orders on the most favorable terms for clients following the importance of factors as specified herein.

**(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:**

No other criteria were given precedence over immediate price and cost in case of aggressive order. Other factors depending on the market condition, the nature of the order and liquidity are considered in case of LIMIT orders.

**(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;**

The Company uses the following tools relating to the quality of execution: The Company monitors the prices through the relevant stock exchange and by using Bloomberg. The Company compares the prices given by the brokers against the prices from the above sources. Prices for OTC trades are monitored or confirmed through Bloomberg. The speed of execution is confirmed through proven record of on-time execution without delays. In addition, all

**(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.**

Not applicable