

## Best Execution Policy

### Introduction

In accordance with the Investment Services and Activities and Regulated Markets Law of 2017, as amended from time to time ("the Law"), NFS Network Financial Services Limited (hereinafter "the Company") is required to provide its clients and potential clients (hereinafter the "client") with its Best Execution Policy (hereinafter the "Policy").

The Best Execution Policy is the procedure by which the Company must take all sufficient steps to act in the best interests of its clients and to reasonably obtain the best possible result (or "best execution") for its clients when providing the investment service of reception and transmission of clients' orders on behalf of clients. The Company is committed to act honestly, fairly and professionally and in the best interests of its Clients and to comply with the principles set out in the Law when providing investment services.

This Policy is established in order to ensure compliance with the obligation to execute orders on terms most favourable to clients and to achieve the best possible results for clients, taking into consideration a clients' ability, needs and trading policies, where applicable and possible and applies to both retail and professional clients, as defined in the Company's Client Categorisation Policy. This policy does not apply to clients who have been categorised as an Eligible Counterparty.

This Policy applies when receiving and transmitting client orders to a third-party Financial Institution. The Company does not offer the service of Execution of Orders on behalf of a client and you agree and consent to your orders being transmitted to a third-party financial institution or a market other than a regulated one or a Multilateral Trading Facility. The Company shall always seek to ensure that execution of an order is in line with your instructions and will consider that it has discharged its best execution obligations.

### Best Execution Criteria

The Company in determining the relative importance of the best execution factors will in general consider the best execution criteria as described below:

- The characteristics of the client
- The characteristics of the client order
- 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.

Total consideration represents the price of the financial Instrument and the costs related to execution, including all expenses incurred by clients which are directly related to the execution of an order which comprise of execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order. Other execution factors such as speed, likelihood of execution, size, nature or any other relevant consideration are categorised by the Company as secondary to those of price and cost, unless they would deliver the best possible result for clients in terms of total consideration.

The Company determines the relative importance it assigns, in accordance with the below criteria, to the best execution factors by using its commercial judgment and experience considering the information available on the market, and this policy. The Company assigns the following importance level to the Best Execution Factors.

### Best Execution Factors

When receiving and transmitting orders to a third party European financial institution for execution on behalf of clients, the Company shall take all reasonable and sufficient steps to obtain the best possible results for its clients, taking into account the price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order received and transmitted for execution to a third-party European financial institution execution venue and as described below.

The Company does not consider the below list to be exhaustive and the order in which the factors are presented shall not be taken as a priority factor. Nevertheless, whenever there is a "specific instruction" from clients the Company will take all appropriate and sufficient measures to ensure that clients' orders shall be executed following the specific instruction and consequently the Company will not be deemed to have deviated from its obligation to provide clients with best execution through the Company's Execution Venue(s).

#### Price (Importance Level: High)

Prices are derived from third party European financial institutions and the Company ensures that the client receives the best possible price based on the selection of third party European financial institutions and comparison and reference to regulated market prices and data sources. The company reviews the third-party financial institutions at least on an annual basis to ensure that correct and competitive pricing is offered.

#### Costs (Importance Level: High)

When transmitting an order for execution in financial instruments clients will be subject to fees, Commissions and charges, the details of which are disclosed and available to the client via the various documentation provided to a client regarding a financial transaction. The Company takes all reasonable and sufficient steps to ensure that clients are informed of such costs prior to the execution of a financial transaction.

**Speed** (Importance Level: High)

The Company places a significant importance when transmitting clients' orders to an execution venue and strives to offer high speeds within the limitations of execution venues, technology and communication links at all times.

The technology and the means of communication used by clients and execution venues are important elements in relation to the receipt and transmission of orders for instance the use of wireless connection or dial-up connection or any other means of communication that may result in poor or unstable connectivity may cause delays between the transmission of data between the Client and the Company, and/or the Company and its execution venues. Consequently, such failure of hardware and software (i.e. Internet/Servers etc.) may result in clients' orders being placed at a delay and consequently orders may be transmitted for execution at a better or worse prevailing market price compared to what was initially offered, or not transmitted for at all due to the delay resulting in the Company receiving outdated "markets orders".

Clients acknowledge and accept that the Company does not accept any liability in the case of such a failure.

**Likelihood of Execution and Settlement** (Importance Level: Medium)

Due to the levels of volatility affecting underlying instrument's price and the markets in general, the Company seeks to provide client orders with the fastest execution reasonably possible.

The Company arranges for the execution of Client Orders with third party European execution venue(s) hence, execution may sometimes be difficult. The likelihood of execution depends on the availability of prices of the execution venue(s). In some cases it may not be possible to arrange an Order for execution, for example but not limited in the following cases: during volatile markets where prices may move significantly up or down and away from declared prices, where there is rapid price movement, where there is insufficient liquidity for the execution of the specific volume at the declared price or a force majeure event has occurred.

In the event that the Company is unable to proceed with an Order due to price or size or any other reason, the Order will not be executed. In addition, the Company is entitled, at any time and at its discretion, without giving any notice or explanation to the Client, to decline or refuse to transmit or arrange for the execution of any Order or request or instruction of the Client.

Some Financial Instruments offered by the Company do not involve the physical delivery of the financial instrument or underlying asset, so they are not settled physically as they would be if for example the Client had bought shares.

**Size of order** (Importance Level: Low)

All orders are placed in monetary value. The Company makes all reasonable and sufficient efforts to fill all orders of all sizes, irrespective of the volume. The Company does not aggregate client orders, nor does it place trades on own account therefore, the size of the order is determined by the Company as low in terms of importance since the only factor taken into consideration is whether the client has sufficient balance to cover the transaction.

**Impact** (Importance Level: Medium)

The Company takes all reasonable and sufficient steps in order to ensure the best possible results for its clients. However, various factors may affect prices as quoted/derived from its Execution Venue(s) and also affect the rest of the factors herein (i.e. parameters, criteria) which the Company takes into consideration for ensuring the best possible result for its clients.

**Nature of Orders** (Importance Level: Low)

The specific characteristics of an order depends on the financial instrument to be selected by the client. The value is dependent on the volatility of an underlying instrument, the term and the risk management selected by the client.

The Company provides the option for clients to place the following type of Orders for execution:

Market Order is an order to buy or sell which is instantly executed and filled at the prices provided by and derived from the third party European Execution Venue(s). From time to time, the market may move while clients are placing their Market Order, and this may result in the Market Order being executed at the next available market price or the Market Order not being executed at all.

**Financial Instruments**

Currently, the financial instruments that form part of the company's services are primarily limited to collective investment schemes but may also extend on occasion to other instruments such as equities, bonds and exchange traded funds (ETFs).

**Transmission of orders**

Orders should be executed promptly and in successive fashion according to receipt of order, but without prejudice to the Best Execution factors. They should be processed in a manner which is fair to all clients and which does not give rise to a conflict of interest.

The Company will review periodically its choice of third party European financial institutions to ensure that such party has appropriate execution arrangements and best execution policy that enable the Company to comply with all its best execution requirements.

## **Specific Instructions**

The Company upon receipt of a specific instruction with regards to the execution of an order (where suitability and/or appropriateness testing have been completed) shall transmit the order for execution based on the specific instruction provided by the clients.

Clients acknowledge and accept that the Company, by executing an order based on the specific instruction received from clients, will not be able to comply with the requirement to provide clients with the best possible result since the Company will not follow the steps designed in this Policy with regards to the execution orders. Clients further acknowledge that the Company by executing the specific order as per clients' instructions, will be in compliance with its duty to provide the client with best execution.

## **Execution Venue(s)**

Execution Venues are the third party European Financial institutions with which the orders are placed and/or to which the Company transmits orders for execution on behalf of a Client. The Company does not execute Client Orders in Financial Instruments on an own account basis, Client orders are transmitted to third party European Financial Institutions as Execution Venue(s), with which the Company has entered into an agreement for the handling of client orders. The Company shall not be held responsible for the execution of client orders.

The Company selects and evaluates the Execution Venue(s) based on a number of criteria including but not limited to the regulatory status of the institution, the ability to deal with large volume of Orders, the speed of execution and the competitiveness of fees and charges and the expertise of the provider.

Where there is only one possible Execution Venue, best execution is achieved by execution on that venue. This means that, when the Company transmits an order for execution, the Company does so in accordance with its execution policy. The Company does not guarantee that the exact price requested will be obtained in all circumstances and, in any event, the factors may lead to a different result in a particular transaction.

You acknowledge that transaction(s) entered in Financial Instruments with the Company may be executed by a third party financial institution or a market other than a regulated one and as such, may expose you to greater risks than if they were executed by a regulated third party financial institution or a regulated market or a multilateral Exchange Facility.

With respect to collective investment schemes, orders will usually be placed directly with the manager/administrator of the scheme or through a settlement system. The Company will seek the best terms available.

The execution venue shall always be disclosed to clients. Some of the third-party entities with whom the Company collaborates with for the transmission of client orders for execution includes: Praemium International Ltd (Jersey), Capital Platforms (Moventum - Luxembourg), Novia Global, UK, STM Group (UK, Malta, Gibraltar, Jersey).

The Company reserves the right to change the below list or place an order with a different third-party execution venue required in accordance to a client's order.

## **Amendment/Review of the Policy**

The Company, at least on annual basis, will review its Best Execution Policy and any relevant order execution arrangements in order to assess and examine whether the requirement for providing best execution to its clients is achieved on a consistent basis. Furthermore, the Company will monitor and assess the effectiveness of the Policy and relevant order execution arrangements to identify and where appropriate correct any deficiencies by implementing appropriate improvements.

The Company reserves the right to review and amend this Policy at any given time it deems suitable and appropriate, without notice to the Client. The Policy is available for review by clients on the Company's website and any new version will be effective from the time of posting on the website, we ask you to review our website on a regular basis to ensure that you have read the latest version.

## **Clients Consent**

By signing the Client Agreement and Terms of Business, you also acknowledge and consent to the application of this policy.

## **General Information**

If you have any queries regarding this Policy, please contact us via the contact us page on the Company's website or send an email to our Support Department at [admin@nfseurope.com](mailto:admin@nfseurope.com)