



ISEC WEALTH MANAGEMENT LTD

EXECUTION QUALITY SUMMARY STATEMENT (RTS 28)

for the year 2020

Exchange Traded Products (ETPs)

ISEC Wealth Management Ltd.

Cyprus Securities Exchange Commission (CySEC) license no. 356/18
Company Registration Number: HE 360500

254 Arch. Leontiou A, Maximos Court, 3-th floor, 3020-Limassol, Cyprus
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Introduction

ISEC Wealth Management Ltd. (hereinafter referred to as the 'Company') is a Cyprus Investment Firm authorized and regulated by the Cyprus Securities and Exchange Commission ("CySEC") with license No 356/18 and operates under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law of 2017, Law 87(I)/2017, as subsequently amended from time to time (the Law). The Company operates at the office located at 254 Arch. Leontiou A, Maximos Court, 3-th floor, 3020-Limassol, Cyprus.

This is the Execution Quality Summary Statement of the Company, pursuant to the requirement of disclosure of such information under Regulation EU 2017/576 supplementing MiFID II. MiFID II is the European Parliament and Council's Directive 2014/65/EC. The Company is required to inform all its Retail and Professional Clients about all sufficient steps taken to obtain the best possible result for its Clients ("best execution"). This Statement is a summary of those sufficient steps taken by the Company in addition to those referred in the Order Execution policy of the Company, as well as analysis and conclusions derived by the monitoring undertaken with respect to orders' execution on the execution venues utilized by the Company within 2020. The assessment takes into consideration the type of financial instrument and relative importance of execution factors associated to the financial instrument involved. This report should be read in conjunction with the Company's ["Order Execution Policy"](#).

During the year 2020, the Company made trading transactions (buy/sell) with **Exchange Traded Products (ETPs)**. All the transactions were executed for the accounts of the Company's clients in the frame of **Portfolio Management** activity as per the CySEC authorization.

Definitions:

- a) "passive order" means an order entered into the order book that provided liquidity;
- b) "aggressive order" means an order entered into the order book that took liquidity;
- c) "directed order" means an order where a specific execution venue was specified by the client prior to the execution of the order;
- d) "Retail Client" is a client who is not a Professional Client by default and is afforded with the highest level of protection,
- e) "Professional Client" is a client who possesses the experience, knowledge and expertise to make his own investment decisions and properly assess the risks that he incurs.

Summary of the analysis and conclusions

(a) an explanation of the factors when assessing the quality of execution

When executing trades on behalf of its clients and the Funds it manages, we place all orders with another entity for it to execute on behalf of the client (e.g. a broker or investment bank). In these instances, Article 24 of MiFID II and Article 65 of the Delegated Regulation will apply. The Company undertakes regular assessments of its Execution Venues and/or Brokers as well as the execution quality provided in order to determine whether Existing Venues and Brokers used by the Company provide the best possible result for Clients. The assessment takes into consideration the type of financial instrument and relative importance of execution factors associated to the financial instrument involved. In such scenarios, while we will owe our client a duty of Best Execution, we will also receive a duty of best execution from the third party. All brokers used by the Company are authorized and regulated by their National Component Authorities and have passed our selection process and compliance checks. ISEC Wealth Management Ltd. has a process for the selection of (i) execution venues (including brokers), with whom or where it executes client orders, and (ii) brokers, with whom it places orders for execution. The Company does not conduct any activity with a new execution venue or broker until the screening and approval process has been completed.

The criteria to choose an execution venue or broker is generally based on evaluation of a number of quantitative and qualitative factors that may include (as applicable), but are not limited to, Company's analysis of the broker or execution venue's:

- Access to alternative markets and trading venues;
- Adequate coverage to asset classes globally
- Commission rates and prices/spreads provided;
- Execution speed/latency;
- Quality of execution and service, both historical and current;
- Clearing and settlement efficiency and capabilities;
- Risk profile and creditworthiness;
- Regulatory status and reputation;
- Any other relevant factor.

Subject to any specific instructions received, we will take the following execution factors into consideration, in determining how to obtain the best possible result for the order, namely:

1. Price paid for the investment

2. Costs incurred as a result of the transaction being placed (including clearing and settlement costs)
3. Speed of the execution and settlement
4. Likelihood of the order being executed and settled
5. Liquidity in the instrument being traded
6. Size and nature of the transaction
7. Nature of the financial instrument, including whether it is executed on a regulated market, multilateral trading facility (MTF), Organised trading facility (OTF), over-the-counter (OTC) or with a Systematic Internaliser (SI)
8. Any other consideration relevant to the execution of the order

In general, the Company regards price as being the most important execution factor when seeking to obtain the best possible outcome for Clients. However, in certain circumstances the Company may decide in its absolute discretion that the other factors mentioned above are more important than price.

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

ISEC Wealth Management does not have any close-links, conflicts of interests, and/or common ownerships, with respect to any execution venues used to execute orders. ISEC Wealth Management takes all the necessary measures to avoid discrimination in directing orders to a specific broker to execute the orders.

Below is a possible conflict that may arise regarding Best Execution:

Possible Conflict	Procedures and Measures
Maximizing of the trading volumes in order to increase receivable brokerage commission, which may directly conflict with the Client's interest, if that interest is in minimizing the volume of trades they perform	The Company has in place Best Execution Arrangements Policy and put all of its efforts in order to prevent such event. The employees are not allowed to provide such information/instruction to the Clients at all times

It should be noted that execution transactions are monitored for the indications of conflict of interests. The Company implements and has in place sufficient measures to mitigate such conflicts. For additional information please refer to the "Conflicts of Interests Policy" disclosed in the Company's website.

(c) specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received

During the reporting period, the Company did not receive any remuneration, discount or nonmonetary benefit from any broker, which would infringe any conflicts of interest or

inducement requirements under MiFID II. ISEC Wealth Management does not have any specific arrangements with any brokers.

(d) factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred

In the last year ISEC Wealth Management has changed the list of the execution venues by adding one more Broker in the list and during 2020 cooperated and routed orders to the execution venue(s) listed below:

Name of the Execution Venue	Country of Origin	Commencement date	Status of cooperation
Cowen International Limited	United Kingdom	27/09/2018	Active
Dealing Finance Company AD	Bulgaria	05/12/2018	Active

The list of the Company's execution venues is mainly stipulated by the following factors:

- the type of financial instrument to trade in; whether the venue provides for trading in the given instrument;
- the satisfying level of reliability of the venue in terms of all kinds of risk the Company must consider during its professional activities;
- the general quality of the services provided by and/or of the partnership with such a venue.

Thus, the list of the Company's execution venues may be amended from time to time due to the above- mentioned factors and to the best interests of the clients. The fact of any changes in the list of execution venues is not considered by the Company as a risk factor as such, however, the reasons for amending the list are always analysed and considered in terms of the compliance to the co-operation factors mentioned above.

(e) 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

ISEC Wealth Management applies Best Execution to transactions related to Retail and Professional Clients. The Order Execution of the Company does not differ according to client categorization, the Company does not treat categories of clients differently, the same execution factors exist for all client categories. Even though the factors affecting the Order Execution of Retail and Professional clients does not differ, the importance of each factor might vary depending on the categorization and the needs of the clients.

(f) 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 possible result in terms of the total consideration to the Client.

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In determining the relevant importance of each of the above factors when assessing the quality of execution (see point a), the Company used the commercial judgement, experience in light of current market information (at the moment of execution), as well as the characteristics (risk level) of the client's portfolio, characteristics of financial instruments and characteristics of the execution venues. Commission and other fees were also top concerns. Factors such as customer service, the broker's financial stability and the financial strength of the broker were also important factors to consider

(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 (EU) 2017/575 (RTS 28);

In order to effectively implement a robust Best Execution compliance program, the Company monitors the quality of execution of Client orders through various data and tools. A range of data is used to monitor execution quality on a quantitative basis, including tick, trade and market data. Qualitative monitoring is also undertaken for example, with regard to promptness of response and overall levels of service. In addition, the Company assesses the services it received from Execution Venues and compares data with reliable external data providers to ensure that the Best Execution Policy is upheld to the highest standards and integrity.

(h) use of output of a consolidated tape provider

During 2020 the company did not use output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

The top five execution venues in terms of trading volumes for all executed orders in Exchange Traded Products (ETPs) during 2020 for Retail Clients are the following:

Class of Instrument	Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)				
Notification if <1 average trade per business day in the previous year	Y				
Top 5 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
Cowen International Limited LEI: 213800S7FGLGM4J4MV84	79.7%	82.2%	N/A	N/A	0.0%
Dealing Finance Company AD LEI: 48510000B6SRIZZNR26	20.3%	17.8%	N/A	N/A	0.0%

The top five execution venues in terms of trading volumes for all executed orders in Exchange Traded Products (ETPs) during 2020 for Professional Clients are the following:

Class of Instrument	Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)				
Notification if <1 average trade per business day in the previous year	Y				
Top 5 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
Cowen International Limited LEI: 213800S7FGLGM4J4MV84	91.2%	83.1%	N/A	N/A	0.0%
Dealing Finance Company AD LEI: 48510000B6SRIZZNR26	8.8%	16.9%	N/A	N/A	0.0%

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