The Cyprus Investment and Securities Corporation Ltd

MIFID II Quality of Execution Report

Disclosure period: 1 January 2024 – 31 December 2024
Report date: April 2025

I. Introduction

According to Article 27.6 of Directive 2014/65/EU ("MIFID II") and Article 3 of Commission Delegated Regulation EU 2017/576 ("RTS 28"), The Cyprus Investment and Securities Corporation Ltd ("CISCO", "Company") is required to publish for each class of financial instrument the top five execution venues in terms of trading volumes for all executed client orders for retail and professional clients. It is also required to publish for each class of financial instrument, a summary of the analysis and conclusions drawn from the detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders in the previous year.

The Company is a Cyprus Investment Firm, regulated by the Cyprus Securities and Exchange Commission and is a member of Cyprus Stock Exchange and a remote member of Athens Exchange. CISCO follows an order execution policy, a summary of which is included in its MiFID Pre-Contractual Information Package. It is recommended that this report is read in conjunction with the BOC's Best Execution Policy.

https://www.bankofcyprus.com/group/who-we-are/our-governance/corporate-governance-other-group-policies/

https://www.cisco-online.com.cy/news--media/mifid/

This report provides data on CISCO's MiFID activities, in respect of receipt and transmission of orders, execution of orders on behalf of clients through CISCO Brokerage and portfolio management services though CISCO Asset Management.

II. Best Execution Factors

As indicated in the Bank of Cyprus Group Order Execution Policy, subject to any specific instructions from clients, when executing orders on clients' behalf and/or when receiving and transmitting clients' orders for execution to third parties, CISCO considers the following Execution Factors, to obtain the best possible result for its clients:

- Price: the price at which a financial instrument transaction is executed.
- Costs: it may include implicit costs e.g., possible market impact; explicit external costs e.g., exchange fees; and explicit internal costs which represent the Company's own remuneration fees.
- Speed: the time it takes to execute a client's transaction, including settlement.
- Likelihood of execution and settlement: the likelihood that the Company will be able to complete a client's transaction.
- Size: the size of the transaction executed for a client, taking into consideration its effect on the price of execution.
- Nature, and any other consideration relevant to the execution of the order: this is how the characteristics of a client's transaction can affect how best execution is received.

For portfolio management services, CISCO Asset Management applies the order execution policy only when placing orders with other entities for execution that result from its decisions to deal in Financial Instruments on behalf of clients while providing the service of portfolio management.

CISCO Asset Management considers that execution quality can be improved for all asset classes when it places orders for execution with the Bank of Cyprus Group (BOC Group) dealers situated locally, by making use of automated order routing interfaces, local knowledge and working in local time zones. Therefore, while CISCO Asset Management provides the service of portfolio management, unless otherwise instructed by its clients, it will generally place orders that result from decisions by CISCO to deal in Financial Instruments on the clients' behalf with the BOC Group for execution.

However, CISCO will periodically evaluate general industry practices with respect to commission levels and rates charged by brokerage firms in order to ensure that charges by our group are fair and reasonable for you.

III. Orders placed with other entities:

(a) Equities Shares /Exchange Traded products (Exchange traded funds, exchange traded notes, exchange traded commodities) and
(b) Debt Instruments
(c) Other Investments

A. Explanation of the relative importance given by the Company to the execution factors of price, costs, speed, and likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution

Even though in most circumstances, price and costs are the most important Execution Factors, in some circumstances, particularly with reference to the Execution Criteria, CISCO may appropriately determine that other Execution Factors have greater importance in achieving the best possible result for the client.

CISCO determines the relative importance of the Execution Factors by using its commercial judgement and experience in the light of the information available on the market and considering the following Execution Criteria. These are common for all financial instruments offered (Equities, Exchange Traded Funds (ETFs), Bonds, Contracts For Difference (CFDs), Futures and Exchange Traded Options (ETOs)):

- the client's characteristics, including the client's categorisation as retail or professional,
- the characteristics of the client's order,
- the characteristics of the financial instruments that are the subject of that order, and
- the characteristics of the Execution Venues to which that order can be directed.

Especially for retail clients, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which shall include all expenses incurred by the client which are directly related 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.

Demonstrating best execution, does not necessarily involve a transaction-by-transaction analysis, but it rather involves an assessment of several transactions over a period, indicating that overall, the best result is achieved by executing orders on the client's behalf on the Execution Venues and in the manner described in the Order Execution Policy.

Orders arising from CISCO's Asset Management decisions result in either reallocation of existing client holdings or addition of new holdings. When the company places orders for execution, the broker selects the venue on their behalf.

The factors relevant for selecting a broker include, amongst others, the following:

- Reputation, financial strength and stability.
- Access to primary and/or secondary markets; and
- On-going reliability
- Method of settlement the broker uses
- Overall costs of a trade including commissions
- System connectivity for placement of orders.
- • Willingness to execute difficult transactions.

In addition, the following conditions are considered by the Company when choosing brokers to place orders for execution:

- Accurate and timely execution and settlement.

- Licensed, as required, to execute the type of transaction; and
- Supervision by national authorities.

Below, are the types of financial instruments that CISCO Asset Management places orders with brokers for execution referring to important best execution factors:

Equities – Shares & Depositary Receipts

Price consideration is the primary execution factor that governs most of the activity, with other factors being prioritised as demanded by the characteristics of the order(s) in question and prevailing market conditions.

Debt Instruments (Bonds)

In addition to price consideration, certainty of execution i.e., efficient sourcing of available liquidity, and counterparty's rating becomes more dominant execution factor for fixed income securities, particularly for credit and where debt securities are less liquid.

Other Instruments

Other instruments largely refer to collective investment schemes where price is determined daily. Timely and efficient execution to the Net Asset Value (NAV) of the fund is the primary factor.

Client's Specific Instructions

Whenever a client gives a specific instruction as to the execution of an order or for a part of it, CISCO Brokerage shall execute the order following the client's specific instruction. The client's specific instruction may prevent CISCO from taking the measures that it has designed and implemented in its Order Execution Policy, to obtain the best possible result for the execution of that order in respect of the aspects covered by this instruction. Where the client's instruction relates to only a part of the order, CISCO will continue to apply this Order Execution Policy to those aspects of the order not covered by the specific instruction

B. Description of any close links, conflicts of interests, and common ownerships with respect to execution venues/brokers used to execute orders

Conflict of Interest

Subject to any specific instructions from the client, CISCO Brokerage may transmit an order received from the client to another entity of the Bank of Cyprus Group or to an external entity, such as a third-party broker, for execution. In cases where the selection of a third-party broker would enable CISCO to obtain a better result for the client, then the said broker will be preferred over the Group entity, so long as this is the case.

CISCO Brokerage does not receive any remuneration, discount, or non-monetary benefit for routing your orders to a particular trading venue or execution venue which would infringe our obligations with regards to conflicts of interest or inducements.

CISCO Asset Management executes orders with Bank of Cyprus, EUROBANK and CISCO Brokerage

Under the Company's Order Execution Policy, it must not receive any remuneration, discount, or non-monetary benefit for routing orders to a particular Execution Venue as this could give rise to a conflict of interest between the benefit received by the company and its obligation to achieve the most favorable terms for the client.

It is noted that CISCO applies a conflict of interest policy. Please refer to section 5 of the MiFID Pre-Contractual Information Package at:

https://www.cisco-online.com.cy/news--media/mifid/

Trading Venues

Cyprus Stock Exchange and Athens Exchange
CISCO is a direct member of the Cyprus Stock Exchange ("CSE") and a remote member of the Athens Exchange ('ATHEX'). Equity orders received by CISCO for the CSE and ATHEX, are executed via the common trading platform.

Athens Exchange - XNET
Equity and Exchange Traded Funds orders for international markets may be executed through ATHEX's XNET network. XNET was a network of services developed by the ATHEX Group for trading in the developed markets of America (USA & Canada) and Europe (United Kingdom - LSE & IOB, Austria, Belgium, France, Germany, Denmark, Switzerland, Ireland. Italy, Spain, Norway, Netherlands, Portugal, Sweden, Finland). XNET network was terminated by ATHEX on May 31st, 2023.

SAXO Bank
CISCO has a White Label Agreement with Saxo Bank, through which it offers its clients the Saxo Bank trading platform under the name of "CISCO Global eTrading". The orders placed through CISCO Global eTrading are executed by Saxo Bank; therefore, the Company relies on Saxo Bank's Order Execution Policy. The financial instruments and products offered through CISCO Global eTrading are Equities, Exchange Traded Funds (ETFs), Bonds, Contracts For Difference (CFDs), Mutual Funds, Futures and Exchange Traded Options (ETOs). Saxo Bank's Order Execution Policy follows MiFID II and the Danish legislation implementing MiFID II and it is the process by which Saxo Bank seeks to obtain the best possible result when executing client orders.

Saxo Bank's policy is reviewed annually or whenever a major change occurs, and additional information can be found at Saxo Bank's website at:

https://www.home.saxo/legal/general-business-terms/saxo-general-business-terms

C. Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received

CISCO has no specific arrangements with any execution venues regarding payments made or received discounts, rebates or non-monetary benefits which could infringe its obligations with regards to conflicts of interest or inducements.

D. Explanation of the factors that led to a change in the list of execution venues listed in the Company's execution policy, if such a change occurred

There were no changes to the list of brokers included in the Company's execution policy.

E. Explanation of how order execution differs according to client categorisation, where the Company treats categories of clients differently and where it may affect the order execution arrangements

The order execution policy does not generally differ between retail and professional client categorisation.

F. 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 of the client

Total consideration (price and execution costs) is considered the primary execution factor. However, if a retail client places an order with specific instructions that cover all aspects of an order, then this will generally be executed in accordance with the client's instructions which may mean that factors other than total consideration may take priority. In case of a client's order with specific instructions that cover partial aspects of an order, best execution is applicable on the aspects of the order not covered by the instructions.

G. Explanation of how CISCO has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575 [RTS 27]

The Company has not made use of any data or tools related to the quality of execution in the reporting period.

H. Explanation, where applicable, of how CISCO has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU

CISCO does not currently use a consolidated tape provider.

III. Definition of terms used in the top five execution venues of financial instruments, that CISCO executed for its clients

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.