

Renaissance Capital

RENAISSANCE CAPITAL

Order Execution Policy: Assessment of quality of execution for Professional Clients

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1. Scope of this Document

This Document has been prepared by Renaissance Securities (Cyprus) Limited (“RESEC” or the “Company”) in compliance with the requirements of Article 3 (3) of the European Union (“EU”) Commission Delegated Regulation 2017/576 of 8 June 2016 (the “Regulation”) supplementing the Markets in Financial Instruments Directive 2014/65/EU (“MIFID II”).

The scope of this Document is to present, for each class of financial instruments for which the Company provides investment services to professional clients, a summary of the analysis and conclusions that the Company has drawn from its detailed monitoring of the quality of execution obtained on the execution venues where it has executed all client orders for the reporting year.

This Document should be read in conjunction with:

- a) the Company’s Order Execution Policy (the “Policy”) issued pursuant to the requirements of MIFID II and of the Investment Services and Activities and Regulated Markets Law of 2017 (the “Law”) of the Republic of Cyprus, transposing MIFID II into Cyprus domestic legislation;
- b) the completed templates attached as Appendix A hereto, presented in the format prescribed in Article 4 of the Regulation and which set out the information required in Article 3 (1) of the Regulation. Specifically, the completed templates present information on the top five execution venues used by the Company, in terms of the trading volumes for all executed clients’ orders per class of financial instruments referred to in Annex I of the Regulation.

This Document applies only to Professional Clients as these are defined in MIFID II and the Law. The Company does not offer any services to Retail Clients. Based on the provisions of MIFID II and the Law, the Company does not owe a duty of best execution to Eligible Counterparties, as such term is defined in MIFID II and the Law.

2. Dealing capacity of the Company

Recital 1 of the Regulation stipulates that in order for investors and the public to fully evaluate the order flow of client orders to execution venues, they should be able to clearly identify if the Company itself was one of the top five execution venues for each relevant class of financial instrument.

RESEC is at all times the principal to all clients’ trades which are then executed at selected execution venues. The top five execution venues therefore reported herein, reflect the external execution venues with or through which the clients’ trades were ultimately executed, as from these execution venues are based ultimately the prices quoted to clients.

The Company’s immediate parent is Renaissance Financial Holdings Limited which together with its other subsidiaries is referred to as “Renaissance Capital” (or also for the purposes of this Document as “Group”). The Group includes a number of subsidiaries which are regulated execution brokers in individual jurisdictions and which the Company uses for executing clients’ orders. The use of these Group subsidiaries for trade execution purposes is described further below.

3. Availability of this Document

This Document will be available on the Company’s and Renaissance Capital’s website at <https://www.rencap.com/we-are/legal-information> and consequently in the public domain for 2 years from the date of publication as set out on the cover page.

4. Assessment of quality of execution: analysis and conclusions

In compliance with Article 3 (3) of the Regulation, the Company presents its detailed monitoring of the quality of execution obtained on the execution venues where it executed all clients' orders in the previous year:

	Assessment criteria as set out in Article 3(3) of the Regulation	Analysis and conclusions	Conclusion: compliance with Company Order Execution Policy (Y / N)
(a)	An explanation of the relative importance the firm 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	<p>In determining the relative importance of these Execution Factors, the Company will take into consideration the following criteria:</p> <ul style="list-style-type: none"> • 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. <p>The process by which the Company undertakes this assessment is neither uniform or directly comparable in each instance. The Firm's execution obligations were, during the reporting period, discharged in a manner that considered the different circumstances associated with the execution of the order as they relate to the financial instruments involved, namely (where applicable):</p> <ul style="list-style-type: none"> • For shares or depositary receipts admitted to a centralised trading venue, price and costs; these were considered to be the most significant factors when routing orders to a particular venue; • For other transaction types, increased emphasis was also placed during the reporting period on the sourcing of liquidity. This was the case for Fixed Income trades and OTC transactions that involved a customised financial element bespoke to the clients own contractual requirements. For complex products, best execution was, during the reporting period, considered for the product in its entirety rather than the individual components of the instrument; • We note that emerging markets, especially those in Sub Saharan Africa and the MENA present lower volumes of liquidity and for practical necessity, an equal level of emphasis was placed on the speed and therefore likelihood of execution (also referred to as "fill rate"). In cases, trade execution may not have been at the best price available, but rather the overall certainty of execution also weighted in the execution process.; 	Y

		<ul style="list-style-type: none"> Similarly, where there were a large order that may have exceeded the available liquidity of the market (or where the likely impact on the market may have been too great), execution of the order occurred in stages, to allow the Company to facilitate the execution appropriately. 										
(b)	A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	<p>The Company has close links with the following execution brokers which are all subsidiaries of Renaissance Capital:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Execution Services for (class of financial instrument)</th> <th>Execution Services for (country)</th> </tr> </thead> <tbody> <tr> <td>Renaissance Broker Limited</td> <td>Equities</td> <td>Russian Federation</td> </tr> <tr> <td>RenCap Securities, Inc</td> <td>Equities</td> <td>The United States of America</td> </tr> </tbody> </table> <p>The Company remunerates execution venues and brokers which are subsidiaries of Renaissance Capital on a commercial arms length basis.</p> <p>For Fixed Income instruments only, the Company may obtain quotes by using a non-anonymous RFQ system of a trading venue and agree the trade with its selected counterparty on that trading venue's RFQ system. The Company may deal on a particular venue with certain counterparties that usually approach the Company to deal on a that venue.</p> <p>The Company does not have any close links, conflicts of interest, common ownerships and/or specific arrangements with such counterparties.</p>	Name	Execution Services for (class of financial instrument)	Execution Services for (country)	Renaissance Broker Limited	Equities	Russian Federation	RenCap Securities, Inc	Equities	The United States of America	Y
Name	Execution Services for (class of financial instrument)	Execution Services for (country)										
Renaissance Broker Limited	Equities	Russian Federation										
RenCap Securities, Inc	Equities	The United States of America										
(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 did not receive any remunerations, discounts, rebates or non-monetary benefits for routing the client orders to any third party broker, including affiliates. The Company did not charge clients with any additional commission paid by the Company to its brokers.	Y									
(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	No change has occurred during the reporting period.	Y									
(e)	An explanation of how order execution differs according to client categorization, where the firm treats such category of client differently and where it may affect the order execution arrangements	The Company only offers services to Professional Clients. No services are offered to retail clients. Services offered to Eligible Counterparties are still offered with the same level of skill and diligence as for Professional Clients although no best execution obligations are owed to them.	Y									
(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	The Company only offers services to Professional Clients. No services are offered to retail clients. The importance of the various execution factors for various financial instruments are presented above.	Y									

	terms of the total consideration to the client		
(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 27(10)(a) of MIFID II	The Company utilizes reliable sources of market data (including Bloomberg) to evaluate the quality of the execution obtained for the clients, based on the information available.	Y
(h)	An explanation of how the investment firm has used, if applicable, output of a consolidated tape provider established under Article 65 of MIFID II, which will allow for the development of enhanced measures of execution quality or any other algorithms used to optimise and assess execution performances	The Company is considering the information that can be collected from consolidated tape providers for further enhancing its monitoring over its execution quality in the future.	Y

5. Disclaimer

This Document is presented solely for the purposes of the requirements of the Regulation. Information set out in this Document does not comprise investment advice. The Company reserves the right to modify its Order Execution Policy subject to giving clients the notices prescribed in the relevant legal agreement governing the client's relationship with the Company. The Company reserves the right to change execution venues provided it continues to adhere to the requirements set out in the Regulation (including disclosure requirements) and its Order Execution Policy.

Appendix A

Class of Instrument	Equities – Shares & Depository Receipts (i)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume trades as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
RenCap Securities, Inc - 549300270JFOJECE0G62	42.18%	29.52%	0.00%	0.00%	0.00%
Credit Suisse Bank (Europe) SA - 959800TMGPWX7NYM4R72	24.26%	10.97%	0.00%	0.00%	100.00%
Renaissance Broker Limited - 253400E0UWDL3K049T48	20.17%	48.46%	0.00%	0.00%	74.05%
BofA Securities Europe SA - 549300FH0WJAPEHTIQ77	7.38%	5.17%	53.38%	43.96%	0.00%
Goldman Sachs International - W22LROWP2IHZNBB6K528	4.34%	3.06%	34.62%	49.12%	0.00%
Class of Instrument	Equities – Shares & Depository Receipts (ii)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume trades as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
BofA Securities Europe SA - 549300FH0WJAPEHTIQ77	36.11%	24.65%	61.87%	36.87%	0.00%
Instinet Europe Limited-213800MXAKR2LA1VBM44	25.28%	15.28%	0.00%	0.00%	100.00%
RenCap Securities, Inc - 549300270JFOJECE0G62	11.38%	8.70%	0.00%	0.00%	0.00%
Credit Suisse Bank (Europe) SA - 959800TMGPWX7NYM4R72	10.74%	3.17%	0.00%	0.00%	100.00%
Renaissance Broker Limited - 253400E0UWDL3K049T48	9.70%	40.30%	0.00%	0.00%	38.44%
Class of Instrument	Equities – Shares & Depository Receipts (iii)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume trades as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Renaissance Broker Limited - 253400E0UWDL3K049T48	38.90%	74.86%	2.57%	4.40%	28.12%
BofA Securities Europe SA - 549300FH0WJAPEHTIQ77	23.94%	9.12%	58.62%	38.55%	0.00%
RenCap Securities, Inc - 549300270JFOJECE0G62	16.13%	5.62%	0.00%	0.00%	0.00%
Instinet Europe Limited-213800MXAKR2LA1VBM44	13.15%	5.04%	0.00%	0.00%	100.00%
Goldman Sachs International - W22LROWP2IHZNBB6K528	4.71%	3.20%	47.35%	29.80%	0.00%

Class of instrument	Debt instruments (Bonds)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
MTXX - MarketAxess Corporation	1.53%	12.00%	0.00%	0.00%	0.00%
BMTF - Bloomberg Trading Facility Limited	0.42%	1.58%	0.00%	0.00%	0.00%
BTFE - Bloomberg Trading Facility B.V.	0.40%	1.14%	0.00%	0.00%	0.00%
Class of instrument	Debt instruments (Bonds)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume traded as percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ICAP Securities Limited - 213800NMEZS3MD2IUP33	2.66%	0.88%	0.00%	0.00%	0.00%
Continental Capital Markets Ltd - 213800M3I5GUTKCDBU47	2.10%	3.24%	0.00%	0.00%	0.00%
Tradition (UK) Limited - 5493009GUESWKOCRBE73	0.73%	0.53%	0.00%	0.00%	0.00%
GFI Securities Limited - Latium - GUNTJCA81C7IHNBGI392	0.68%	0.70%	0.00%	0.00%	0.00%
Aurel BGC - 5RJTDGZG4559ESIYLD31	0.35%	0.53%	0.00%	0.00%	0.00%

Class of Instrument	Currency derivatives. Futures and options admitted to trading on trading venue				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume trades as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Renaissance Broker Limited - 253400E0UWDL3K049T48	100.00%	100.00%	0.00%	0.00%	100.00%
Class of Instrument	Equity derivatives. Futures and options admitted to trading on trading venue				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume trades as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Renaissance Broker Limited - 253400E0UWDL3K049T48	100.00%	100.00%	0.00%	0.00%	100.00%
Class of Instrument	Commodity derivatives. Futures and options admitted to trading on trading venue				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume trades as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Renaissance Broker Limited - 253400E0UWDL3K049T48	100.00%	100.00%	0.00%	0.00%	100.00%
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	N				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume trades as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Credit Suisse Bank (Europe) SA - 959800TMGPWX7NYM4R72	100.00%	100.00%	0.00%	0.00%	100.00%