



RTS 28 2017

info@avm.com.mt

RTS 28 REPORT

Directive 2014/65/EU.

RTS 28 Report for the period 1st January to 31 December 2017

Under MiFID II Alpha Value Management Limited ("AVM") is required on an annual basis to provide information in respect of its Best Execution Policy. This is known as an RTS 28/Art. 65(6) Report (RTS 28 Report).

It is important to emphasize that we are not providing any investment management services in this report. We provide these services only to our clients. This report is not a recommendation to sell or purchase any investment, and it does not form a part of any contract of the sale or purchase of any investment.

Set out below are the responses (**Part 1**) of AVM that are required to be provided under Article 3(3) of RTS 28. This provides a summary of the analysis and conclusions based upon AVM's monitoring of the quality of execution obtained on the execution venues transmitted in 2017 on behalf of clients.

AVM does not place direct order executions but ONLY transmission of orders for execution to other investment firms (e.g brokers). Within the RTS 28 Report, under MiFID II, AVM is also required to publish the top five brokers where transmissions were done in the preceding year detailing the trading volumes and the quality of these execution venues.

The accompanying tables (**Part 2**) have been generated solely to comply with RTS28 and contain derived information that we believe to be correct. However, much of this information is not used in our operations, nor has it been verified or tested by a third party, and we can not guarantee that it is reliable or error-free.

Part 1

MiFID II Top 5 Venue Reporting Commentary

The Markets in Financial Instruments Directive - MiFID II mandates that investment firms, as part of their best execution obligations, report their top five venues for all trading on behalf of clients. Firms are required to make an annual public disclosure detailing these order routing practices for retail and professional clients across all asset classes.

Requirement of the Directive

Best execution rules are intended to protect investors by ensuring that investment firms seek the best possible result for their clients, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

For each class of financial instruments, Investment firms are to publish a summary of the analysis and conclusions they draw from their detailed monitoring of the quality of execution obtained on the execution venues where they executed all client orders in the previous year. The information shall include:

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;

AVM ensures that execution quality is regularly reviewed by internal controls as to whether the best possible result is achieved.

AVM deals in a few asset classes, namely:

- Equities (Shares);
- Debt Instruments (Bonds)*;
- Currency Derivatives (futures and options)**;
- Equity Derivatives (futures and options)**;
- Securitized Derivatives (warrants and certificate derivatives)**;
- Commodities derivatives and emission allowances Derivatives (futures and options admitted to trading on a trading venue)**; and
- Exchange Traded Products.

All asset classes are dealt mainly on the international markets.

Price and cost of execution are key drivers to assess the quality of execution in respect of **Fixed Income securities***.

Speed of execution is a factor that is extremely important when trading **Futures, options and derivatives instruments****.

The possibility to have a direct line to contact the counterparty in case of a mismatch on trades is a plus to achieve the quality of execution, as well as a 24h service availability to AVM.

In order to guarantee a trade continuity and the best execution on each single security, AVM trades all international security orders through a vast range of brokers. All international orders are passed through a 'smart order routing' process which ensures that each deal is filtered through a number of international brokers to ensure obtaining the best possible bid or offer prices at that particular moment.

b. a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;

To date, no close links, conflicts of interests and common ownerships arised in respect of any execution venues.

c. a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;

AVM has no specific arrangements with any execution venues regarding discounts, rebates or non-monetary benefits.

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;

AVM uses a vast number of brokers internationally. Therefore, the list of brokers changes periodically in order to always have a wide option available for a better choice selection when needed in order to get the best execution possible.

e. an explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements;

All AVM customers are categorised as Retail, Professional or Eligible counterparties, and all orders are treated equally.

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;

In addition to ensuring immediate best price and cost, AVM ensures speed of execution. All orders are executed electronically through dedicated online trading platforms within seconds of receipt of order from the Portfolio Managers.

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 [RTS27];

Execution quality reports as defined in Delegated Regulation (EU) 2017/575 were not available in 2017.

h. where applicable, an explanation of how the investment firm has used output of a consolidated tape provider

Not applicable. There are currently no consolidated tape providers in Europe.

Conclusion

The data above is based on execution data during the period from **1st January 2017** to **31st December 2017** inclusive. This new legislation requires the reporting of executed orders in three bands - passive, aggressive or directed orders for the previous year. In view that such data was not previously required and available, we are reporting such data on a '***good assumption***' basis which may not be 100% correct, but reasonably correct.

Part 2

Class of Client:

Retail Client

Class of Instrument:

(a) Equities — Shares & Depositary Receipts -

(ii) Tick size liquidity band 3 and 4 (from 80 to 1999 trades per day)

Notification if < 1 average trade per business day in the previous year

Y/N

| Top 5 execution venues ranked in terms of trading volumes (decending order) | Portion of volume traded as a percentage of total in that class | Portion of orders executed as percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
|--|--|--|-------------------------------------|--|--------------------------------------|
| UBS 5299007QVIQ7I064NX37 | 96.91 | 97.31 | | | |
| Sparkasse Bank Malta 21380099RT73NFBYS559 | 1.66 | 1.07 | | | |
| NBG Malta549300646HCJTJVWSP81 | 1.2 | 0.54 | | | |
| IW BANK 81560097964CBDAED282 | 0.23 | 1.08 | | | |
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Class of Client:

Retail Client

Class of Instrument:

(b) Debt instruments

(i) Bonds

Notification if < 1 average trade per business day in the previous year

Y/N

| Top 5 execution venues ranked in terms of trading volumes (decending order) | Portion of volume traded as a percentage of total in that class | Portion of orders executed as percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
|--|--|--|-------------------------------------|--|--------------------------------------|
| UBS 5299007QVIQ7I064NX37 | 95.59 | 73.97 | | | |
| Sparkasse Bank Malta 21380099RT73NFBYS559 | 4.41 | 26.03 | | | |
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Class of Client:

Retail Client

Class of Instrument:

(b) Equities — Shares & Depositary Receipts -
(ii) money market instrument

Notification if < 1 average trade per business day in the previous year

Y/N

| Top 5 execution venues ranked in terms of trading volumes (decending order) | Portion of volume traded as a percentage of total in that class | Portion of orders executed as percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
|--|--|--|-------------------------------------|--|--------------------------------------|
| UBS 5299007QVIQ71064NX37 | 100 | 100 | | | |
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Class of Client:

Retail Client

Class of Instrument:

(k) 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/N

| Top 5 execution venues ranked in terms of trading volumes (decending order) | Portion of volume traded as a percentage of total in that class | Portion of orders executed as percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
|--|--|--|-------------------------------------|--|--------------------------------------|
| UBS 5299007QVIQ7I064NX37 | 98.06 | 98.51 | | | |
| Sparkasse Bank Malta 21380099RT73NFBYS559 | 1.94 | 1.49 | | | |
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Class of Client:

Retail Client

Class of Instrument:

(m) other instruments

Notification if < 1 average trade per business day in the previous year

Y/N

| Top 5 execution venues ranked in terms of trading volumes (decending order) | Portion of volume traded as a percentage of total in that class | Portion of orders executed as percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
|--|--|--|-------------------------------------|--|--------------------------------------|
| BERKELEY FUTURE 213800GWMSRCJYDTHO27 | 99.71 | 99.65 | | | |
| Sparkasse Bank Malta 21380099RT73NFBYS559 | 0.165 | 0.57 | | | |
| UBS 5299007QVIQ71064NX37 | 0.123 | 0.176 | | | |
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Class of Client:

Professional Client

Class of Instrument:

(a) Equities — Shares & Depositary Receipts

(ii) Tick size liquidity band 3 and 4 (from 80 to 1999 trades per day)

Notification if < 1 average trade per business day in the previous year

Y/N

| Top 5 execution venues ranked in terms of trading volumes (decending order) | Portion of volume traded as a percentage of total in that class | Portion of orders executed as percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
|--|--|--|-------------------------------------|--|--------------------------------------|
| Sparkasse Bank Malta 21380099RT73NFBYS559 | 64.59 | 81.36 | | | |
| NBG Malta 549300646HCJTJWSP81 | 29.49 | 8.71 | | | |
| UBS 5299007QVIQ71064NX37 | 5.92 | 9.93 | | | |
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Class of Client:

Professional Client

Class of Instrument:

(b) Debt instruments

(i) Bonds

Notification if < 1 average trade per business day in the previous year

Y/N

| Top 5 execution venues ranked in terms of trading volumes (decending order) | Portion of volume traded as a percentage of total in that class | Portion of orders executed as percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
|--|--|--|-------------------------------------|--|--------------------------------------|
| Sparkasse Bank Malta 21380099RT73NFBYS559 | 83.78 | 59.14 | | | |
| UBS 5299007QVIQ71064NX37 | 13.61 | 40.36 | | | |
| NBG Malta 549300646HCJTJVWSP81 | 2.61 | 0.5 | | | |
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Class of Client:

Professional Client

Class of Instrument:

(b) monetary market instrument

(ii) money market

Notification if < 1 average trade per business day in the previous year

Y/N

| Top 5 execution venues ranked in terms of trading volumes (decending order) | Portion of volume traded as a percentage of total in that class | Portion of orders executed as percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
|--|--|--|-------------------------------------|--|--------------------------------------|
| NBG Malta 549300646HCJTJVWSP81 | 93.51 | 47.06 | | | |
| Sparkasse Bank Malta 21380099RT73NFBYS559 | 6.49 | 52.94 | | | |
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Class of Client:

Professional Client

Class of Instrument:

(e) currency derivatives

(i) Futures and options admitted to trading on a trading venue

Notification if < 1 average trade per business day in the previous year

Y/N

| Top 5 execution venues ranked in terms of trading volumes (decending order) | Portion of volume traded as a percentage of total in that class | Portion of orders executed as percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
|--|--|--|-------------------------------------|--|--------------------------------------|
| BERKELEY FUTURE 213800GWMSRCJYDTHO27 | 99.51 | 99.41 | | | |
| Sparkasse Bank Malta 21380099RT73NFBYS559 | 0.49 | 0.59 | | | |
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Class of Client:

Professional Client

Class of Instrument:

(k) Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)

Y/N

Notification if < 1 average trade per business day in the previous year

| Top 5 execution venues ranked in terms of trading volumes (decending order) | Portion of volume traded as a percentage of total in that class | Portion of orders executed as percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
|--|--|--|-------------------------------------|--|--------------------------------------|
| Sparkasse Bank Malta 21380099RT73NFBYS559 | 76.56 | 60.85 | | | |
| UBS 5299007QVIQ71064NX37 | 23.44 | 39.15 | | | |
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Class of Client:

Professional Client

Class of Instrument:

(m) other instrument futures Derivatives
Other instrument

Notification if < 1 average trade per business day in the previous year

Y/N

| Top 5 execution venues ranked in terms of trading volumes (decending order) | Portion of volume traded as a percentage of total in that class | Portion of orders executed as percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
|--|--|--|-------------------------------------|--|--------------------------------------|
| BERKELEY FUTURE 213800GWM\$SRCJYDTHO27 | 99.71 | 97.65 | | | |
| Sparkasse Bank Malta 21380099RT73NFBYS559 | 0.17 | 0.59 | | | |
| UBS 5299007QVIQ7I064NX37 | 0.12 | 1.76 | | | |
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