

RTS 28 Disclosure

Introduction

This Summary is published in accordance with Directive 2014/65/EU in financial instruments (MiFID II). Investment firms who execute client orders are required to publish quantitative and qualitative details of their top five brokers and execution venues in the preceding year, for each class of financial instruments (“RTS 28 Disclosure”).

Scope

The scope of this section is to provide our clients with meaningful information to effectively evaluate and examine the execution quality achieved by Lead Capital Markets (“the Company” or “we”) during 2017.

Quantitative disclosure

Below you may see the Company’s execution venue for all executed retail Clients’ orders for CFDs.

Class of Instrument	Contract for difference (CFD)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes	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
LEADCAPITAL CORP LTD 213800KQJNQNL59JCW24	100%	100%	N/A	N/A	0%

* Transaction volumes are calculated by reference to the notional for derivatives trades.

** Questions and Answers On MiFID II and MiFIR investor protection and intermediaries topics, Best Execution Section, Question 14-Information on passive and aggressive orders in the context of portfolio management and RTO: If a portfolio manager, or a receiver and transmitter of orders, sends an order to an entity for execution (broker), the distinction between passive and aggressive orders as defined in Article 2 of RTS 28 is likely not relevant and will not need to be disclosed in the report to be published in accordance with Article 65(6) of the Delegated Regulation.

Qualitative disclosure

Execution Factors

Best Execution means that we must take all sufficient steps to obtain the best possible result for the Client when executing an order with the Client or on the Client’s behalf, considering various ‘Execution Criteria’. We owe you an obligation to take all sufficient steps to achieve best execution when executing orders on your behalf. We typically regard ourselves as being in receipt of an order and acting on your behalf where you legitimately rely on us to protect your interests in relation to the Execution Factors relevant to that transaction and to act on your behalf.

The relevant ranking of the different execution factors depends on the characteristics of the respective client, the order size, the orders that we receive and the underlying Financial Instruments for which we offer trading on CFDs.

We take all sufficient steps to obtain, when executing orders, the best possible result for our Clients considering price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

The ranking of execution factors is as follows:

- Price
- Expected impact of execution
- Likelihood of execution and settlement
- Size and nature of the order
- Order size & type
- Costs
- Speed
- Other factors

We have determined, that the order of importance of the execution factors is the same across all products and markets; therefore, for all retail Clients the best possible result will be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution. The rest of the mentioned factors are also considered in order to provide Clients with the best result.

Best Execution Flow

During 2017, best execution was achieved through the following flow:

- We receive the order from our Client and transmit it for execution to LeadCapital Corp Ltd, a Group Entity
- LeadCapital Corp Ltd fully hedges on a back-to-back basis with an EU Investment Firm licensed by CySEC, through its brokerage account.

As part of our efforts to enhance our best execution practice, we have entered into agreements with additional liquidity providers, which will be connected to our liquidity hub.

Monitoring of Best Pricing

We apply a standardised methodology of calculation for CFDs to ensure that the price that we are offering at any given time is always considered as the best price we can obtain on your behalf. When monitoring best execution, we regularly check the calculation methodology to ensure that it is applied consistently at all times. We shall:

- Collect sample data of the pricing of the most traded instruments in frequent but not pre-determined time intervals and check against the pricing offered by other execution venues

- Check the pricing of relevant underlying instruments during periods of events such as economic news and announcements (e.g. Non-Farm Payrolls, FOMC/ECB meetings and interest rate decisions, oil inventories announcements, etc.) which could trigger price volatility in certain instruments both pre and post the occurrence of such events, against the pricing offered by other execution venues.

On a regular basis, we monitor and assess whether the price feeds and hedging venue we rely on for pricing our products, allow us to achieve best execution on a consistent basis or whether we need to make changes to our execution arrangements.

We shall also review our order execution arrangements and order execution policies regularly whenever a material change occurs either in respect of one of the chosen pricing venues or otherwise that might affect our ability to continue to achieve best execution.

We shall:

- Gather market data used in the estimation of the price of CFDs and, where possible, compare with similar or comparable products;
- Undertake the necessary checks on the fairness of the price using the methodology for monitoring of best pricing explained above;
- Demonstrate that the choice of our pricing enables our Clients to consistently get the best possible results;
- Regularly assess the market landscape to determine whether there are alternative venues that we could use.