

# Execution Quality Summary Statement (EQSS)

Dated April 2018

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## 1. Scope of This Statement

Zemblanco Investments Ltd. (the “Company”) is an investment Firm incorporated and registered under the laws of the Republic of Cyprus, with registration number HE333296. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission (hereafter the “CySEC”) under the license number 277/15. This is the Execution Quality Summary Statement (hereafter the “Statement”) of the Company compiled and completed under the Directive 2014/65 EC (MIFID II) and addressed to the Company’s clients (both professional and retail). According to Directive 2014/65 EC and Regulation EU 2017/575 supplementing the foregoing Directive, purpose and scope of this Statement is to enable the public and investors to evaluate the quality of an investment firm’s execution practices and to identify the Top Five Execution Venues in terms of trading volumes where the Company executed clients orders in the preceding year.

## 2. Best Execution Factors, Criteria and Client Categorization Analysis

The best execution obligation under Directive 2014/65/EU requires investment firms to take all sufficient steps to obtain the best possible result for their clients. The quality of execution, which includes aspects such as the speed and likelihood of execution such as fill rate) and the availability and incidence of price improvement, is an important factor in the delivery of best execution. Availability, comparability and consolidation of data related to execution quality provided by the various execution venues is crucial in enabling investment firms and investors to identify those execution venues that deliver the highest quality of execution for their clients. In order to obtain best execution result for a client, investment firms should compare and analyze relevant data including that made public in accordance with Article 27(3) of Directive 2014/65/EU and respective implementing measures.

Best execution is applicable when the Company:

- The Company is executing an order;
- The client, in respect of that order, is within the scope of best execution; and
- The Company is acting on the client’s behalf for the purposes of best execution.

Execution of orders means acting to conclude agreements to buy or sell one or more financial instruments and includes the conclusion of agreements to sell financial instruments issued by an investment firm or a credit institution at the moment of their issuance. As part of our practice of providing clients with a consistently high-quality

service, the Best Execution applies to all transactions in financial instruments that the Company is licensed to offer.

When executing client orders, the Company takes into count the following criteria for determining the relative importance of the factors referred to in Article 27(1) of Directive 2014/65/EU:

- (a) the characteristics of the client including the categorization of the client as retail or professional;
- (b) the characteristics of the client order, including where the order involves a securities financing transaction (SFT);
- (c) the characteristics of financial instruments that are the subject of that order;
- (d) the characteristics of the execution venues to which that order can be directed

During reporting period, the Company has taken all sufficient steps to obtain, when executing orders, the best possible result for clients of the Company, taking into count following Factors :

- price,
- costs,
- speed,
- likelihood of execution and settlement,
- size,
- nature or any other consideration relevant to the execution of the order.

In most circumstances, price was the most important Execution Factor; however, in some circumstances with reference to the Execution Criteria the Company may appropriately determine that other Execution Factors have greater importance in achieving the best possible result for the Client. Where the Company executes an order, or takes decision to deal in OTC products, it checks the fairness of the price proposed to the client, by gathering market data used in the estimation of the price of such product. Where possible the Company will compare the relevant OTC product with similar or comparable products.

With regards to other execution factors that could have taken precedence over immediate price and costs while executing retail client's orders. Company haven't encountered such during the year 2017.

Best Execution is applicable to Clients who are classified by us as retail clients or as professional clients only. Eligible counterparties are out of the scope of best execution. For Retail Clients, the best possible result was determined in terms of the total consideration, representing the price of the Financial Instrument and the costs related to execution.

In 2017, the Company did not receive any Orders for executions from its Professional Clients, however in normal course of business, Best Execution Policy would have been applied to Professional Clients too.

The Company during 2017, did not enter in any Securities financing transactions, hence there will be neither no analysis, nor reporting data to be published.

‘Securities financing transaction’ means

- (a) a repurchase transaction;
- (b) securities or commodities lending and securities or commodities borrowing;
- (c) a buy-sell back transaction or sell-buy back transaction;
- (d) a margin lending transaction.

### 3. Execution Venues and Brokers Analysis

Execution Venue means a regulated market, an MTF, an OTF, a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.

In selecting an execution venue or a broker for the execution of a transaction, we take into count in respect of the venue concerned:

- price;
- cost of execution;
- liquidity available for the financial instrument concerned;
- speed of execution;
- reliability of the venue;
- continuity of trading;
- creditworthiness of the venue; and
- quality of any related clearing and settlement facilities

Investment firms and Brokers that Company used for execution of its client’s orders in the year 2017 have always been subject to the best execution policy, as well as in accordance with the Investment Services and Activities and Regulated Markets Law.

Close links means a situation in which two or more natural or legal persons are linked by:

- (a) participation in the form of ownership, direct or by way of control, of 20 % or more of the voting rights or capital of an undertaking;
- (b) ‘control’ which means the relationship between a parent undertaking and a subsidiary, in all the cases referred to in Article 22(1) and (2) of Directive 2013/34/EU, or a similar relationship between any natural or legal person and an undertaking, any subsidiary undertaking of a subsidiary undertaking also being considered to be a subsidiary of the parent undertaking which is at the head of those undertakings;
- (c) a permanent link of both or all of them to the same person by a control relationship;

It has been noted, that Company takes all necessary steps to obtain fair treatment between execution venues. One of the entities – Ability Capital LLC, has a common

ownership along with Zemblanco Investments. Nevertheless, the Company acted in accordance with the best interest of its clients when transmitting client's orders to third parties for execution.

During reporting period, the Company haven't entered into any specific arrangements with any of the execution venues/entities and doesn't receive neither discounts, nor rebates, nor other non-monetary benefits.

During the year 2017 Company has ceased its cooperation with one of the financial institutions / execution venues – Versobank AS following Resolution of Board of Directors in regards to a change of the Authorized Signatory of the accounts opened.

Data and information related to quality of execution, that has to be published under Delegated Regulation (EU) 2017/575, will be prepared by execution venues by the end of April 2018, and was not available during the year 2017, thus is not included at the time when this Summary was prepared.

Use of Consolidated Tape Provider during 2017 was not available due to the fact that Directive 2014/65/EU has entered in force from 3rd of January 2018.