

## Introduction

This report (the ‘Report’) provides a summary of the analysis made in the course of our best execution monitoring, together with a list of the top five execution venues (liquidity providers) used to execute retail and professional client orders in each class of financial instrument, as provided for in Commission Delegated Regulation (EU) 2017/576 of 8 June 2016 supplementing Directive 2014/65/EU (“MiFID II”).

This Report is prepared having regard to the following business specifics of Veles International Limited (‘VIL’ or ‘we’) that have not changed in 2022:

- We are neither a participant of any trading venue nor acting ourselves as a systematic internaliser or a liquidity provider. We therefore always transmit client orders for execution to our brokers or, with respect to certain financial instruments, execute clients order with OTC counterparties acting as *a liquidity provider*;
- We specialise on providing clients with investment services predominantly on local (third country) financial markets, such as Russia, where there is only limited number of execution venues;
- We select our OTC counterparties from the list of those with whom we have established business relationship and the history of seamless mutual cooperation on the basis of their high reliability (including high credit rating and established presence on the respective market), as well as the ranking and quotations published by Bloomberg or other reliable sources. We also take into account the execution factors pertinent to particular classes of financial instrument, as specified below in this Report. The complete list of venues that may be used by VIL is outlined in the Annex 2 of our Order Execution Policy (<https://veles-international.com/regulations>);
- We specialise on servicing clients who have substantial skills and knowledge in the field of investments on the markets mentioned above.

It follows from the considerations listed above that the information on quality of VIL’s execution of client orders has certain features common to different classes of financial instruments as presented below in the section ‘*Summary Analysis. Common Part*’. The information on the particular instrument execution factors taken into account in the process of selection of an OTC counterparty (liquidity provider), as well as the statistics related to the top 5 execution brokers/venues used in 2022, is presented in the relevant section/table ‘*Summary Analysis. {Class of Financial instrument}*’.

Since we do not enter orders into order books of our liquidity providers generally accepting or negotiating the respective quotations, all the orders in the tables are classified as directed orders.

## Summary Analysis. Common Part

### Description of close links, conflicts of interests, and common ownerships

VIL did not have in 2022 any close links, conflicts of interests, or common ownerships with respect to any execution venue (liquidity provider) used to execute client orders.

Description of specific arrangements regarding payments made or received, discounts, rebates or non-monetary benefits received ('Inducements')

VIL did not pay or receive in 2022 any Inducements which may have led to a conflict of interest always acting in accordance with its Conflicts of Interest Policy and Inducements Policy (<https://veles-international.com/regulations>).

Explanation of the factors that led to a change in the list of execution venues/brokers listed in the firm's execution policy

No such changes occurred in 2022

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

Execution factors are applied by VIL, when executing client orders, in light of client categorisation. The factors are ranked by their relative importance for the quality of execution of orders related to particular class of financial instrument as outlined below. This is primarily the case with respect to retail clients. For professional clients the particular order of importance may differ on a case-by-case basis taking into account the client's particular needs and preferences (indicated by the client).

*For professional clients*, price and cost are generally two separate execution factors. For professional clients price is generally the factor of primary importance for VIL to choose the execution venue (liquidity provider), with cost being taken into account as a factor balancing against other execution factors. Indication to this effect in the client order or known client preferences will be followed. However, there may be circumstances where price is no longer the dominant execution factor; for example, for transactions in less liquid securities, likelihood of execution or the size of order become more important.

*For retail clients*, the best possible result will be determined in terms of the total consideration, representing the price of the financial instrument plus the costs directly related to execution. Total consideration will take precedence over all other factors.

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

See the sub-section above and further details (if any) specified with respect to particular instrument below.

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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

The ranking and quotations published by Bloomberg are generally used or, in the absence of the latter, prices otherwise asked and offered on the respective emerging OTC markets.

Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU

Not applicable

Summary Analysis. Equities - Shares & Depositary Receipts

Relevant execution factors (priority descending)

1. price (*plus costs for retail clients*)
2. likelihood of execution
3. size of the order
4. costs (*for professional clients*)
5. speed of execution

However, for convertible bond transactions, VIL will prioritise execution factors as follows:

1. price (*plus costs for retail clients*)
2. speed of execution
3. size of the order
4. costs (*for professional clients*)
5. likelihood of execution

In relation to a market order speed of execution (primary factor) and size of the order (secondary factor) are the most important execution factors.

**Top five venues– Equities**

*Table 1 – Retail clients*

| Class of Instrument  |                      | Tick size liquidity bands <u>1</u> and <u>2</u> (from 0 to 79 trades per day) |  |                                 |
|--|----------------------|---|--|---------------------------------|
| Top five execution venues ranked in terms of trading volumes (in descending order) | LEI                  | Proportion of volume traded as a percentage of total in that class            | Proportion of orders executed as a percentage of total in that class | Percentage of directed orders * |
| Onerston Trade Limited   | 213800DZQJRXEIF98485 | 51,97%  | 25,00%   | 0%                              |
| ARMBROK OPEN JOINT STOCK COMPANY   | 254900OBUFUPPQDX353  | 33,04%  | 1,56%  | 0%                              |
| Limited Liability Company «IC VELES Capital»                                       | 253400GHQM8WGX9UET22 | 13,96%  | 67,19%   | 0%                              |
| StoneX Financial Ltd   | 549300AWF3TOHRYL7754 | 1,04%   | 6,25%  | 0%                              |

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**Table II – Professional clients**

| Class of Instrument  |                      | Tick size liquidity bands <u>1 and 2</u> (from 0 to 79 trades per day) |  |                                 |
|--|----------------------|--|--|---------------------------------|
| Top five execution venues ranked in terms of trading volumes (in descending order) | LEI                  | Proportion of volume traded as a percentage of total in that class     | Proportion of orders executed as a percentage of total in that class | Percentage of directed orders * |
| April Investments - Russia Opportunity Fund  | 253400ZVJL9MXL8XD760 | 37,43%   | 22,58%   | 0%                              |
| MAKOR SECURITIES LONDON LTD  | 549300IQTYC8XXQ6C338 | 24,52%   | 49,46%   | 0%                              |
| Forte Securities Limited   | 213800TE1VETDDTPKN12 | 14,09%   | 2,15%  | 0%                              |
| Limited Liability Company «IC VELES Capital»                                       | 253400GHQM8WGX9UET22 | 12,01%   | 11,83%   | 0%                              |
| Onerston Trade Limited   | 213800DZQJRXEIF98485 | 11,95%   | 13,98%   | 0%                              |

**Table I – Retail clients**

| Class of Instrument  |     | Tick size liquidity bands <u>3 and 4</u> (from 80 to 1999 trades per day) |  |                                 |
|--|-----|---|--|---------------------------------|
| Top five execution venues ranked in terms of trading volumes (in descending order) | LEI | Proportion of volume traded as a percentage of total in that class        | Proportion of orders executed as a percentage of total in that class | Percentage of directed orders * |
| -  | -   | --  | -  |                                 |

**Table II – Professional clients**

| Class of Instrument  |     | Tick size liquidity bands <u>3 and 4</u> (from 80 to 1999 trades per day) |  |                                 |
|--|-----|---|--|---------------------------------|
| Top five execution venues ranked in terms of trading volumes (in descending order) | LEI | Proportion of volume traded as a percentage of total in that class        | Proportion of orders executed as a percentage of total in that class | Percentage of directed orders * |
| -  | -   | -   | -  | -                               |

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**Table I – Retail clients**

| Class of Instrument  |                      | Tick size liquidity bands 5 and 6 (from 2000 trades per day)       |  |                                 |
|--|----------------------|--|--|---------------------------------|
| Top five execution venues ranked in terms of trading volumes (in descending order) | LEI                  | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of directed orders * |
| Limited Liability Company «IC VELES Capital»                                       | 253400GHQM8WGX9UET22 | 43,57%   | 91,49%   | 0%                              |
| Freedom Finance Europe Ltd   | 2138006Q4P69VVS8MZ72 | 20,55%   | 1,03%  | 0%                              |
| Onerston Trade Limited   | 213800DZQJRXEIF98485 | 18,66%   | 4,64%  | 0%                              |
| Xtellus Capital Partners, INC  | 5493001ADW65MEV36028 | 11,87%   | 1,16%  | 0%                              |
| MAKOR SECURITIES LONDON LTD  | 549300IQTYC8XXQ6C338 | 5,35%  | 1,68%  | 0%                              |

**Table II – Professional clients**

| Class of Instrument  |                      | Tick size liquidity bands 5 and 6 (from 2000 trades per day)       |  |                                 |
|--|----------------------|--|--|---------------------------------|
| Top five execution venues ranked in terms of trading volumes (in descending order) | LEI                  | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of directed orders * |
| Xtellus Capital Partners, INC  | 5493001ADW65MEV36028 | 58,31%   | 59,26%   | 0%                              |
| StoneX Financial Ltd   | 549300AWF3TOHRYL7754 | 14,09%   | 20,37%   | 0%                              |
| Freedom Finance Europe Ltd   | 2138006Q4P69VVS8MZ72 | 13,93%   | 9,88%  | 0%                              |
| Ronin Europe Ltd   | 213800Z6ZVP4TNER8851 | 6,97%  | 5,56%  | 0%                              |
| Renaissance Securities (Cyprus) Limited  | IK9CLH4U15AXJVV22968 | 6,71%  | 4,94%  | 0%                              |

## Summary Analysis. Debt Instruments - Bonds

### Relevant execution factors (priority descending)

1. price (*plus costs for retail clients*)
2. costs (*for professional clients*)
3. speed of execution
4. likelihood of execution
5. size of the order

In relation to a market order speed of execution (primary factor) and size of the order (secondary factor) are the most important execution factors. However, for structured notes transactions, VIL will prioritise execution factors as follows:

1. likelihood of execution
2. costs (*for professional clients*)
3. speed of execution
4. size of the order
5. price (plus costs for retail clients)

When the executing trade unwinds, the execution factors are changed with price becoming the most significant, followed by likelihood of execution and speed.

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## Top five venues– Debt instruments

*Table I – Retail clients*

| Class of Instrument  | LEI                  | Bonds  |  |                               |
|--|----------------------|--|--|-------------------------------|
|  |                      | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of directed orders |
| Top five execution venues ranked in terms of trading volumes (in descending order) |                      |  |  |                               |
| Forte Securities Limited   | 213800TE1VETDDTPKN12 | 27,82%   | 14,16%   | 0%                            |
| CONTINENTAL CAPITAL MARKETS LTD  | 213800M3I5GUTKCDBU47 | 21,35%   | 40,64%   | 0%                            |
| ATONLINE LIMITED   | 213800PZWYFKIOAGQY35 | 19,67%   | 9,13%  | 0%                            |
| Joint-Stock Company «NGDEM Finance»  | 213800LCBO8SAK686X42 | 16,46%   | 21,92%   | 0%                            |
| MERITKAPITAL LIMITED   | 21380073P7J4PAD91E29 | 14,70%   | 14,16%   | 0%                            |

*Table II – Professional clients*

| Class of Instrument  | LEI                  | Bonds  |  |                               |
|--|----------------------|--|--|-------------------------------|
|  |                      | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of directed orders |
| Top five execution venues ranked in terms of trading volumes (in descending order) |                      |  |  |                               |
| OPPENHEIMER EUROPE LTD.  | 213800CH6IZ9J98PIS59 | 38,19%   | 12,77%   | 0%                            |
| BancTrust Investment Bank Limited  | 213800L2NNQOBXPF1425 | 20,34%   | 30,33%   | 0%                            |
| Forte Securities Limited   | 213800TE1VETDDTPKN12 | 20,29%   | 21,48%   | 0%                            |
| CONTINENTAL CAPITAL MARKETS LTD  | 213800M3I5GUTKCDBU47 | 10,76%   | 27,00%   | 0%                            |
| KNG SECURITIES LLP   | 213800GV7S9JSGKG9548 | 10,41%   | 8,42%  | 0%                            |

## Summary Analysis. Other Instruments - Collective Investment Vehicles

Relevant execution factors (priority descending)

1. price (*plus costs for retail clients*)
2. likelihood of execution (this will include quality of the fund (risk vs return), its underlying assets and management, AUM, etc.)
3. size of the order
4. costs (*for professional clients*)
5. speed of execution

### Top five venues – Other instruments (Collective investment Vehicles)

**Table I – Retail clients**

| Class of Instrument  | LEI | Collective Investment Vehicles                                     |  |                               |
|--|-----|--|--|-------------------------------|
|  |     | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of directed orders |
| Top five execution venues ranked in terms of trading volumes (in descending order) |     |  |  |                               |
| -  | -   | -  | -  | -                             |

**Table II – Professional clients**

| Class of Instrument                          | LEI                  | Collective Investment Vehicles                                     |  |                               |
|--|----------------------|--|--|-------------------------------|
|  |                      | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of directed orders |
| Limited Liability Company «IC VELES Capital» | 5RJTDGZG4559ESIYLD31 | 99,99%   | 88,89%   | 100,00%                       |
| RMG Holding Limited                          | 2138000745YAU8XJDM35 | 0,01%  | 11,11%   | 100,00%                       |

Summary Analysis. Exchange traded products

Relevant execution factors (priority descending)

1. price (*plus costs for retail clients*)
2. likelihood of execution (this will include quality of the fund (risk vs return), its underlying assets and management, AUM, etc.)
3. size of the order
4. costs (*for professional clients*)
5. speed of execution

**Top five venues – Exchange traded products**

**Table I – Retail clients**

| Class of Instrument  | LEI                  | Exchange traded products   |  |                               |
|--|----------------------|--|--|-------------------------------|
|  |                      | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of directed orders |
| Top five execution venues ranked in terms of trading volumes (in descending order) |                      |  |  |                               |
| Onerston Trade Limited   | 213800DZQJRXEIF98485 | 52,32%   | 25,00%   | 0%                            |
| Limited Liability Company «IC VELES Capital»                                       | 253400GHQM8WGX9UET22 | 47,68%   | 75,00%   | 0%                            |

**Table II – Professional clients**

| Class of Instrument  | LEI                  | Exchange traded products   |  |                               |
|--|----------------------|--|--|-------------------------------|
|  |                      | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of directed orders |
| Top five execution venues ranked in terms of trading volumes (in descending order) |                      |  |  |                               |
| Limited Liability Company «IC VELES Capital»                                       | 253400GHQM8WGX9UET22 | 57,93%   | 27,78%   | 0%                            |
| Onerston Trade Limited   | 213800DZQJRXEIF98485 | 27,68%   | 22,22%   | 0%                            |
| MAKOR SECURITIES LONDON LTD  | 549300IQTYC8XXQ6C338 | 8,00%  | 22,22%   | 0%                            |
| StoneX Financial Ltd   | 549300AWF3TOHRYL7754 | 4,42%  | 16,67%   | 0%                            |
| Credit Suisse AG, Switzerland  | ANGGYXNX0JLX3X63JN86 | 1,96%  | 11,11%   | 0%                            |

Summary Analysis. Interest rate derivatives

Relevant execution factors (priority descending)

1. price (*plus costs for retail clients*)
2. likelihood of execution (this will include quality of the fund (risk vs return), its underlying assets and management, AUM, etc.)
3. size of the order
4. costs (*for professional clients*)
5. speed of execution

**Top five venues – Interest rate derivatives**

*Table I – Retail clients*

| Class of Instrument  | LEI | Exchange traded products   |  |                               |
|--|-----|--|--|-------------------------------|
|  |     | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of directed orders |
| Top five execution venues ranked in terms of trading volumes (in descending order) |     |  |  |                               |
| -  | -   | -  | -  | -                             |

*Table II – Professional clients*

| Class of Instrument  | LEI                  | Exchange traded products   |  |                               |
|--|----------------------|--|--|-------------------------------|
|  |                      | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of directed orders |
| Top five execution venues ranked in terms of trading volumes (in descending order) |                      |  |  |                               |
| Sova Capital Limited   | 213800T9OJMZA69QDM04 | 100,00%  | 80,00%   | 0%                            |

Summary Analysis. Other Instruments (Collective Investment Vehicles)

Relevant execution factors (priority descending)

1. price (*plus costs for retail clients*)
2. likelihood of execution (this will include quality of the fund (risk vs return), its underlying assets and management, AUM, etc.)
3. size of the order
4. costs (*for professional clients*)
5. speed of execution

**Top five venues – Collective Investment Vehicles**

*Table I – Retail clients*

| Class of Instrument  | LEI | Exchange traded products   |  |                               |
|--|-----|--|--|-------------------------------|
|  |     | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of directed orders |
| Top five execution venues ranked in terms of trading volumes (in descending order) |     |  |  |                               |
| -  | -   | -  | -  | -                             |

*Table II – Professional clients*

| Class of Instrument  | LEI                   | Exchange traded products   |  |                               |
|--|-----------------------|--|--|-------------------------------|
|  |                       | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of directed orders |
| Top five execution venues ranked in terms of trading volumes (in descending order) |                       |  |  |                               |
| Onerston Trade Limited   | 213800DZQJRXEIF98485  | 41,52%   | 25,00%   | 0%                            |
| StoneX Financial Ltd   | 549300AWF3TOHRYL7754  | 29,50%   | 25,00%   | 0%                            |
| Bank GPB International S.A.  | 529900VVDOKMRRRAHZ894 | 28,98%   | 25,00%   | 0%                            |

## Summary Analysis. Currency Derivatives

Relevant execution factors (priority descending)

1. price (*plus costs for retail clients*)
2. likelihood of execution (this will include quality of the fund (risk vs return), its underlying assets and management, AUM, etc.)
3. size of the order
4. costs (*for professional clients*)
5. speed of execution

### Top five venues – Currency Derivatives

**Table I – Retail clients**

| Class of Instrument  | LEI | Exchange traded products   |  |                               |
|--|-----|--|--|-------------------------------|
|  |     | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of directed orders |
| Top five execution venues ranked in terms of trading volumes (in descending order) |     |  |  |                               |
| -  | -   | -  | -  | -                             |

**Table II – Professional clients**

| Class of Instrument  | LEI                  | Exchange traded products   |  |                               |
|--|----------------------|--|--|-------------------------------|
|  |                      | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of directed orders |
| Top five execution venues ranked in terms of trading volumes (in descending order) |                      |  |  |                               |
| Renaissance Securities (Cyprus) Limited  | IK9CLH4U15AXJVV22968 | 85,21%   | 33,33%   | 0%                            |
| Sova Capital Limited   | 213800T9OJMZA69QDM04 | 14,79%   | 66,67%   | 0%                            |