LONDON CAPITAL GROUP

Execution Quality Summary Statement RTS 28

APRIL 2019

Introduction

This document is provided London Capital Group (CYPRUS) Limited (LCG CY) in accordance with the Article 27(10)(b) of MiFID II, as applied by the EU Commission on 08/07/2016, EU Regulation 2017/576.

The Best Execution Quality Summary Statement (RTS 28) has been created in accordance with the Investments Services and Activities and Regulated Markets Law 87(I) 2017. According to which, Investment firm is obliged to disclose to all its Retail and Professional clients the steps taken to achieve best execution results for its clients.

RTS 28's purpose is to enhance transparency and allow the public and investors to evaluate LCG execution practices by disclosing information on how and where LCG executes client orders.

LCG CY is an Investment firm registered in Cyprus under registered number: 356430. LCG CY is authorised and regulated by the Cyprus Securities and Exchange Commission (License Number:341/17).

LCG CY is licenced and regulated to provide the following Investment services and where applicable follow the Best Execution principles within:

a) Reception and Transmission of orders in relation to one or more financial instruments
b) Execution of Orders on Behalf of Clients
c) Portfolio Management

Delivering Best Execution: Considered Factors

LCG CY must take all sufficient steps to achieve the best possible result on a consistent basis when executing orders on our behalf of its clients. This practice is referred to as Best Execution and there are a variety of execution factors that could be considered to determine what will deliver the best outcome.

LCG CY will consider the following execution factors when evaluating how to secure the best possible result for its clients financial CFD orders:

- Price and cost
- Speed
- The size and nature of the order
- Likelihood of execution

Usually the primary objective is to get clients the best available price and minimise the total cost of the transaction, taking precedence over all other factors.

LCG's trading platform has been designed on the basis of our Order Execution Policy, to take into account these and any other relevant factors, such as the nature of the underlying markets and any specific instructions you have given us, so that we can consistently deliver what we consider to be the best possible results.

As a client, it's important for you to understand how we treat your orders and execute them for you. You can find important information within our terms and conditions, summary order execution policy and from the information about the quality of our execution on this page.

The information contained within this document is specific to London Capital Group Limited Cyprus (LCG CY).

Price

Typically, the most important execution factor that impacts clients and their ability to make a profit is the price they receive when trading with us. Therefore, when considering the best execution factors, we monitor the price of execution most closely. We obtain our prices from a range of sources in order to try and get the best available quotes to our platform. These sources are regularly reviewed for competitiveness and stability in order to improve the integrity of our price and reduce the cost of dealing for our clients.

Given the fast nature of the way markets can move, sometimes the price you click to trade on may have changed by the time your order reaches us some milliseconds later. Depending on the order type you send us this could mean your order is rejected.

If you send us an 'Instant' order our trading platform will apply a symmetrical tolerance level either side of your requested price – if the market stays within this range by the time we receive your order, your order will be executed at the level you requested (subject to available liquidity in the underlying market at the time).

If the current price has moved outside this range, we will do one of two things:

- If the market moves to a better level for you, our trading platform will pass on the price-improvement to you.
- If the price moves beyond our tolerance in the opposite direction, we'll reject the order and you would have to resubmit the request.

Your order will never be filled at a level worse than the one you requested – however, your order may be rejected. We apply these validation checks to ensure that orders are filled at a price that is consistent with the current price that is available to our clients. Market' orders will be filled at the live price available in the requested size upon receipt of the order.

How we source our prices

London Capital Group Limited (the Liquidity Provider), regulated by FCA is the Execution Venue for the clients' transactions and the main price feed provider. The feed provided via the platform is obtained by a large number of venues in ensuring that the best price is provided to the clients from, those that the Liquidity Provider, has access to. For this purpose:

- A combination of top global bank a non-bank liquidity is used to source forex and spot metal markets enabling to get consistently low spreads.
- For Index, Commodity and Fixed Income products quotes, are derived from the most liquid contracts on major exchanges around the globe, such as the CME and ICE
- Primary exchanges are also used like the LSE plus other leading exchanges, such as Chi-X and BATS to generate share prices, this ensures we deliver the best prices available
- On some markets we provide an 'out of hours' session where the Liquidity Provider derives its own prices. We ensure that these prices are based on price movements on associated markets and other market influences"

Spreads

Getting the best price for our clients is normally the primary best-execution consideration, and therefore reducing the cost of dealing, through our spreads or commissions, is also a high priority for us.

All of our spreads and commissions for all asset classes, can be found in our product information tables, (links available below), including information on the minimum, average and out of hours spreads where applicable.

- FX spreads
- Spot Metals spreads
- Indices spreads
- Commodity spreads
- Bonds and Interest Rates spreads
- ETFs
- Shares spreads

We pride ourselves on providing some of the lowest spreads within the industry globally and continually endeavour to reduce spreads where possible.

Speed & Likelihood of Execution

The speed with which the trade is executed, whilst also being mindful of price, is of high importance.

Where clients request to trade using a ‘market order’, specifying direction and size only, then the Liquidity Provider may prioritise speed above that of price. This will be assessed with reference to market conditions, taking consideration of the liquidity of the market, size of the order, availability of price improvement and the potential impact on total consideration.

In almost all circumstances, client transaction requests will be executed automatically at the requested or live market price, in case of a ‘market’ order request, subject to the size requested being equal to or under size permissible in the ‘underlying market’ at that time.

- In 2018 99.77% of all orders were executed automatically.

Where an order request exceeds certain size parameters as determined by the Liquidity Provider and based on typical liquidity in the underlying instrument, the Liquidity Provider may prioritise the likelihood of execution over speed and refer the request to its dealers for confirmation.

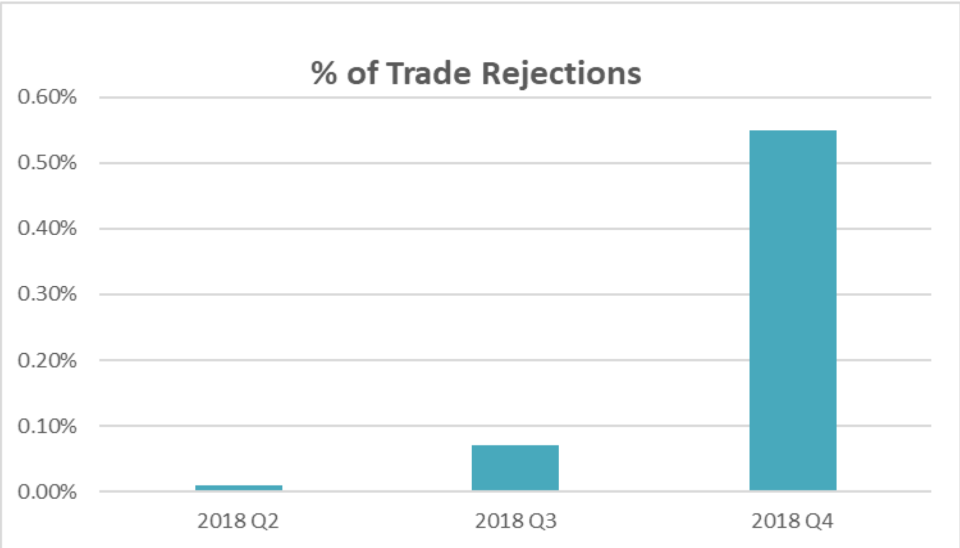
On rare occasions the Liquidity Provider may provide a partial fill of a transaction request as an alternative to an outright rejection, it will not provide a partial fill as an alternative to filling it in its entirety.

Rejection rates

We aim to keep our client’s likelihood of execution as high as possible, therefore we regularly review the number of rejections that our clients face. The table below demonstrates our order rejection rates for all CFD products, per quarter, as a percentage of our total trade requests. As this shows less than 0.6% of all trade requests submitted are rejected as a result of price or size availability.

Typically, the main reason for rejection is if the price a client requests has moved since reaching our platform, or if there is insufficient liquidity to provide an execution in the size requested. One way to avoid this is to use 'Market' orders, however, there is the added risk of slippage*, both positive and negative, but you'll always be filled at the latest price available.

**Slippage is the difference between the executed price and the price seen at time of request. With market orders, slippage can be both positive (in the client's favour), or negative (at a worse price) from the price seen at time of request.*



Conflicts of Interest and Common Ownership

Both London Capital Group Limited (LCG) and London Capital Group (Cyprus) Limited (LCG CY) belong to the same group of companies that are under common ownership. London Capital Group Limited (LCG) is the only execution venue used by LCG CY.

All trades placed by LCG CY clients are matched and opened with London Capital Group Limited. Any possible conflict of interest is diminished by our Best Execution model which ensures that best trading conditions will be extended to the client. For more details, all clients can review the Conflicts of Interest Policy which can be found on the company website, under Legal Documentation.

LCG CY receives running cost-plus mark-up based renumeration from London Capital Group Limited.

Other Considerations

Irrespective of client categorization LCG CY will use same execution model to achieve Best Execution for both Retail and Professional clients.

In order to ensure that each client receives Best Execution a custom proprietary price aggregation engine tool is used, which with help of algorithms ensures that each trade will be executed at best available bid and ask quote for all instruments during active trading hours at any given time, using a range of pricing streams received from the Liquidity Provider.

Execution Venues

Below is a summary of the execution venues used by LCG CY detailing the proportion of trades executed on each venue during 2018.

ANNEX II - Table 1

Class of Instrument	CFD's				
Notification if < 1 average trade per business day in the previous year	N				
Top execution venue ranked in terms of trading volumes (descending order)	**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**
London Capital Group Limited 213800PPVN6ORMUD1506	100%	100%	4.18%	95.82%	0%

Above table can be downloaded in a CSV format by clicking here.

LONDON CAPITAL GROUP

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